

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

September 14, 2017

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, September 14, 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:

Steve Bochenek, SERS Attorney
Aaron Evans, Attorney, Sorling Northrup
Jeff Houch, Assistant Executive Secretary
Kathy Yemm, Manager, Claims Division
Don Williams, Supervisor, Disability Section
Cory Mitchell, Acting Supervisor, Pension and Death Section
Jessica Blood, Recording Secretary

Minutes of the Previous Meeting

The minutes of the August 10, 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 Vice-Chairperson Morris, seconded by Executive Secretary Blair and by unanimous vote, the minutes were approved as submitted.

Routine Claims Report

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

Old Business

HB 2496 Veto

Jeff Houch discussed the recent veto of HB 2496. After discussion, the Executive Committee agreed to defer all waiver cases until the October meeting to allow time for review of internal policy and administrative rules. It was also agreed that a statement regarding the effect of the veto on deferred waiver cases would be prepared for the Board of Trustees in order to determine a future course of action.

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.

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.

After reviewing the facts of the case and some discussion, the Executive Committee agreed to defer the case until more information is received from the Department of Employment Security regarding Ms. McKeown's job duties.

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

NormaJean Norris-Brantley – Appeal of SSA Overpayment – Recommendation from SERS Attorney

Normajean Norris-Brantley is appealing her SSA overpayment for a third time. Her first and second appeals (October 2016 and November 2016) were denied.

Ms. Norris-Brantley received Social Security disability retroactive to November 1, 2013, resulting in an overpayment of \$37,128.00. Ms. Norris-Brantley received \$8,297.00 from Social Security because she had a previous overpayment with Social Security due to working and receiving a disability benefit at the same time.

Ms. Norris-Brantley's balance as of July 1, 2017 is \$29,767.28. When the overpayment occurred, Ms. Norris-Brantley was sent notification but she failed to respond to requests to contact SERS regarding the money owed. Subsequently, the SERS Voucher Section offset her entire pension to collect the overpaid monies. Once she had appealed to the Executive Committee, her payment was reduced to \$560.00 per month (based on the balance of \$33,394.28 at the time of the decision, making the monthly payment \$5.00 short of what it should be), which allows her overpayment to be paid in five years per SERS policy.

Attorney Bochenek presented Recommendation No. 2017-7 to the Committee to deny Ms. Norris-Brantley's appeal of her SSA overpayment based on the facts of the case and the records provided by SERS. Executive Secretary Blair made a motion to accept Recommendation No. 2017-7. The motion was seconded by Chairman Iglarsh and all were in favor.

New Business

Marla Buro – Appeal to Receive Retroactive Pension

Marla Buro retired reciprocally with the Illinois Municipal Retirement Fund. She ceased state employment in March, 1990. Ms. Buro was eligible for a pension annuity on April 1, 2014 as that is the date she turned 60 years old.

On May 30, 2017 Ms. Buro contacted SERS and requested the cost to purchase a refund previously taken. Ms. Buro purchased the refund in June, 2017.

Ms. Buro's pension was processed with an effective date of July 1, 2017 due to the service purchase. She is requesting a refund of the purchase so her pension can be paid retroactively to April 1, 2014.

Based on the facts of the case and the information submitted, a motion was made by Chairman Iglarsh to approve Ms. Buro's request for a refund of her service purchase. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Douglas Grounds – Appeal to Purchase Leave of Absence Earnings Credit

Douglas Grounds retired July 1, 2017. He had taken several leaves of absence over the last few years and has purchased the service credit for this time. Mr. Grounds did not purchase the earnings credit however; so there is one month of service credit in his final average compensation with no earnings and one month with sixteen days of salary.

Mr. Grounds is requesting to purchase the earnings credit for his leave of absence from February 1, 2014 through March 14, 2014 to increase his FAC as if he had been paid his salary for this time period.

After review of the case and some discussion, a motion was made by Executive Secretary Blair to approve Mr. Grounds' request to purchase his leave of absence earnings credit, seconded by Chairman Iglarsh and all were in favor.

Michelle McAuliffe – Re-Appeal for Refund of Social Security Offset – Mbr: Joseph McAuliffe

Michelle McAuliffe is requesting a re-appeal of the denial of her case at the June, 2017 Executive Committee meeting.

Ms. McAuliffe began receiving a survivor annuity effective July 1, 2013, following the death of member Joseph McAuliffe on June 8, 2013.

Ms. McAuliffe was receiving 50% of her husband's accrued pension until she turned 60 on January 16, 2017. In January, 2017, Ms. McAuliffe became eligible to receive a widow's benefit from Social Security in the amount of \$1,619.70. Half of this amount, \$809.50, was offset from the SERS survivor annuity. Ms. McAuliffe did not receive the widow's benefit from Social Security because she was earning more than the limit allowed from her own employment.

SSA advised that once Ms. McAuliffe turned 62 or retired, she would no longer be eligible for a widow's benefit.

Ms. McAuliffe retired from the Chicago Teachers' Pension Fund on January 5, 2017.

SERS removed the Social Security offset effective February 1, 2017.

Ms. McAuliffe is requesting the offset be removed effective January 1, 2017 so she can be paid the amount of \$809.50 that was offset in that month.

Based on the facts of the case and information submitted, a motion was made by Executive Secretary Blair to deny Ms. McAuliffe's re-appeal for a refund of her Social Security offset. The motion was seconded by Chairman Iglarsh and all were in favor.

Juan Fletcher – Appeal to Waive Lump Sum Death Benefit – Mbr: Emma Keaton

Emma Keaton, a retired state employee, died on February 28, 2017. A death benefit is payable in the amount of \$500.00.

Ms. Keaton listed two beneficiaries – her son, Juan Fletcher, and a grandson, Nate Jiles. Juan Fletcher is requesting a waiver of his portion of the death benefit.

After some discussion, a motion was made by Chairman Iglarsh to approve Mr. Fletcher's request to waive his lump sum death benefit, seconded by Vice-Chairperson Morris and all were in favor.

Visitacion Pullins – Appeal to Restore Pension to Original Amount and Waive Overpayment

Visitacion Pullins retired on October 1, 2016. Her former agency, the Department of Human Services, sent a deduction from her lump sum sick and vacation to SERS that should have been sent to Deferred Compensation. This caused an additional \$22,500.00 to be posted to her final payroll that was not due.

This error incorrectly inflated her final average compensation, which in turn incorrectly increased her monthly pension amount from \$6,134.16 to \$6,447.12. This created an overpayment in the amount of \$3,129.60.

Ms. Pullins is requesting her pension be restored to the original amount paid to her and the overpayment waived.

After review of the case, a motion was made by Executive Secretary Blair to deny Ms. Pullins appeal to restore her pension to the original amount and waive her overpayment. The motion was seconded by Chairman Iglarsh and all were in favor.

Deanna McDonald – Non-Occupational Disability – 90 Day Waiver - Deferred

Kelly Moore – Occupational Disability – 12 Month Waiver - Deferred

Rosalind Williams – Occupational Disability – 12 Month Waiver - Deferred

Shellie Cartwright – Non-Occupational Disability – 90 Day Waiver - Deferred

Marcia Burjes – Non-Occupational Disability – 90 Day Waiver - Deferred

Raymond Ulrich – Request to Lower Monthly Payment for Overpayment

Raymond Ulrich worked as a carpenter for the Department of Corrections. Mr. Ulrich was injured on March 9, 2015. His workers' compensation claim was denied and Mr. Ulrich started SERS temporary disability on April 1, 2015. Mr. Ulrich's workers' compensation claim was settled March 21, 2017.

Mr. Ulrich's benefit was converted to a temporary disability that has resulted in four different overpayments:

1. The original conversion resulted in an underpayment of \$26,649.37. This check was sent to Mr. Ulrich. It was later discovered that the FAC given by the computer was wrong. Mr. Ulrich was advised to return the check as the calculation was wrong. Mr. Ulrich later cashed the check.
2. Mr. Ulrich was paid an occupational benefit from August 25, 2014 – January 31, 2015. The occupational benefit was paid at the wrong FAC. This resulted in a \$6,445.46 overpayment.
3. The third overpayment was created after the correct salary was used to convert Mr. Ulrich's temporary disability to occupational disability. This resulted in an overpayment of \$9,795.92.
4. The future occupational disability was originally paid using the incorrect FAC for the first five months resulting in an overpayment of \$4,424.82.

Mr. Ulrich's net over payment is \$47,315.57. The Benefit Support Section has deducted \$3,002.80 (half of the gross benefit) toward the overpayment. Mr. Ulrich's current overpayment is \$44,312.77.

Mr. Ulrich has supplied his monthly expenses which total \$4,220.00. Mr. Ulrich is requesting SERS take out \$1,000.00 out of each disability check to satisfy his overpayment. This would take approximately 44 months to pay off the overpayment. Mr. Ulrich is 54 years old.

After reviewing the facts of the case, a motion was made by Executive Secretary Blair to deny Mr. Ulrich's request to lower his monthly payment. The motion was seconded by Chairman Iglarsh and all were in favor.

Cynthia Phillips – Request Deferral of Overpayment

Cynthia Phillips was approved for a Non-Occupational benefit from SERS effective February 4, 2016.

Ms. Phillips was approved for a retroactive Social Security disability benefit effective June, 2016. The retroactive benefit created an overpayment with SERS totaling \$15,652.00 for the time period of June 1, 2016 through June 30, 2017.

SERS sent the member a notification letter on July 27, 2017 explaining the calculation of the overpayment and what was due SERS.

Ms. Phillips is not currently receiving a disability benefit as it ended June 30, 2017 due to half time ceasing. She is not eligible for a pension and is not covered under the State of Illinois Group Insurance Program.

Ms. Phillips has engaged a legal representative to work with the State of Illinois to determine if her disability is occupational or non-occupational. She is requesting that

payments be deferred and has included information regarding monthly income and expenses.

In order to repay the overpayment of \$15,652.00 within 60 months, the member would be required to pay \$260.87 per month.

After discussing the facts of the case, a motion was made by Executive Secretary Blair to deny Ms. Phillips' request to defer repayment of her overpayment. The motion was seconded by Chairman Iglarsh and all were in favor.

Add On:

Ruby Payne – Occupational Disability – 12 Month Waiver – Deferred

There being no further business to be brought before the Committee, the meeting was adjourned at 11:00 a.m.

The next meeting of the Executive Committee is scheduled for October 12, 2017, in the Springfield office, with video conferencing in Chicago.

Loren Iglarsh, Chairman

David Morris, Vice-Chairperson

Timothy Blair, Executive Secretary