

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

September 12, 2019

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, September 12, 2019 at 8:45 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  
Kathy Yemm, Manager, Claims Division  
Karen Brown, Supervisor, Disability Section  
Cory Mitchell, Acting Supervisor, Pension and Death Section  
Steve Bochenek, System Attorney  
Jessica Blood, Recording Secretary  
Kirk Schoenbein, Claimant  
Kathy Schoenbein, Claimant's Spouse

Minutes of the Previous Meeting

The minutes of the August 8, 2019 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 2019 was presented. Following review and discussion, the Routine Claims Report for the period of August 2019, as prepared by staff, was received by the Executive Committee.

## Old Business

### Betty Johnson-Nevith – Re-Appeal for Survivor Annuity - Recommendation

James Nevith applied for and received a survivor contribution refund and subsequently passed away. His surviving spouse, Betty Johnson-Nevith is requesting a survivor annuity.

This appeal was denied at the February 2019 Executive Committee meeting and Ms. Johnson-Nevith requested a re-appeal, which was granted. Ms. Nevith made a personal appeal at the August 8<sup>th</sup> Executive Committee meeting.

After review and discussion, the case was referred to SERS' attorney to make a recommendation.

Attorney Bochenek presented Recommendation No. 2019-14 to deny Ms. Johnson-Nevith's request. After review, a motion was made by Executive Secretary Blair to adopt the recommendation. Vice-Chairperson Morris seconded the motion, and all were in favor.

### Jeffrey W. Dozier – Military Service Credit – Recommendation

Jeffrey Dozier purchased military service credit for SERS service credit. SERS staff later discovered that Mr. Dozier separated from State employment on May 9, 2018, making him ineligible to purchase military service credit after that date. Mr. Dozier was sent a refund of his payment.

Mr. Dozier appeared before the Executive Committee at its July 11<sup>th</sup> meeting in Springfield, Illinois along with his attorney, Carl Draper. After hearing the personal appeal, the Committee agreed to defer the matter to allow for further review of the statutory language pertaining to the purchase of military service credit.

After discussion at the August Executive Committee meeting, the case was referred to SERS' attorney for recommendation.

Attorney Bochenek presented Recommendation No. 2019-13 to deny Mr. Dozier's request. After brief discussion, a motion was made by Executive Secretary Blair to adopt the recommendation. The motion was seconded by Vice-Chairperson Morris and all were in favor.

### Cynthia Koester – Re-Appeal for Unreduced Survivor Benefits – Mbr: Donald Koester

At their August 8, 2019 meeting, the Executive Committee denied the appeal of Cynthia Koester, to purchase service credit with SERS to qualify for unreduced

survivor's benefits payable from Cook County Pension Fund CCPF.

The committee deferred the case to determine if establishing creditable service with SERS is necessary to qualify a spouse for unreduced survivor's benefits payable from CCPF. It was determined that establishing SERS service credit is necessary to qualify Ms. Koester for unreduced survivor's benefits.

Ms. Koester requested a re-appeal of her case. After reviewing additional information provided, a motion was made by Chairman Iglarsh to approve Ms. Koester's request for a re-appeal. The motion was seconded by Vice-Chairperson Morris and all were in favor.

### Indaleasa Hopkins – Request for Re-Appeal – Alternative Retirement Cancellation Payment

Indaleasa Hopkins terminated state employment under Public Act 93-0839, the Alternative Retirement Cancellation Payment (ARCP). Ms. Hopkins returned to state employment on February 1, 2006.

SERS notified Ms. Hopkins of her obligation to repay the ARCP portion under Public Act 93-0839 in a letter dated March 6, 2006. Ms. Hopkins failed to respond to requests for payment.

Due to an administrative error, Ms. Hopkins was allowed to repay the non-ARCP portion of contributions to establish service credit before repaying the ARCP portion, which must be paid first pursuant to Public Act 93-0839.

Ms. Hopkins was informed that until the ARCP portion was repaid, the time that she is purchasing would not be counted toward pension or retirement.

At their June 13, 2019 meeting, the Executive Committee denied Ms. Hopkins' appeal to repay the non-ARCP portion of contributions before repaying the ARCP portion. Ms. Hopkins has submitted a request for re-appeal.

After discussing the facts of the case, a motion was made by Executive Secretary Blair to deny Ms. Hopkins' request for re-appeal. The motion was seconded by Vice-Chairperson Morris and all were in favor.

### Christopher Fritsche – Occupational Disability – Gainful Employment Inquiry

Christopher Fritsche requested a written appeal to the July 2019 Executive Committee to approve his occupational disability benefit with the understanding he is part owner of a company but does no physical labor.

The Committee referred the case to Attorney Steve Bochenek and Jeff Houch for further review and clarification regarding gainful employment policy and rules. The

case was deferred until such information was reviewed.

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

## New Business

### Kirk Schoenbein – Appeal to Retire Reciprocally

Kirk Schoenbein is a member of the Illinois Municipal Retirement Fund (IMRF), SERS and JRS, but is not independently vested with JRS.

Mr. Schoenbein retired reciprocally with IMRF effective March 1, 2017 and is deferred with SERS until March 1, 2022 when he reaches age 60. He elected not to retire reciprocally with JRS.

Mr. Schoenbein is appealing that SERS undo his reciprocal pension with IMRF and instead retire reciprocally with JRS.

After reviewing the facts of the case, the committee deferred a decision pending further research.

### Kraig Kotter – Appeal Overpayment

Kraig Kotter received a disability benefit from SERS through June 30, 2019.

In a recent audit of disability files, it was discovered that Mr. Kotter's time with IMRF was considered to extend his disability benefit through 2022 due to an administrative error. Therefore, an overpayment was created.

Mr. Kotter is requesting that SERS either forgive the overpayment or establish a repayment plan that will not create a hardship for his family.

After some discussion, the Committee decided to defer Mr. Kotter's case pending further review.

### Lakeesha Brown – Appeal to Receive Refund of Contributions

Lakeesha Brown began receiving a disability benefit from SERS effective March 2017. In March of 2018, SERS required Ms. Brown to apply for Social Security disability benefits.

Ms. Brown resigned from State employment and requested a refund of her contributions. Her Social Security hearing is scheduled for October 2019 and SERS has withheld the payout of her refund pending the determination of the hearing.

If Ms. Brown is approved for Social Security disability benefits, an overpayment that could

possibly exceed the amount of her retirement contributions would be created. Since Ms. Brown is no longer receiving a benefit and not employed by the State, SERS would have no way of recouping the overpayment if she is allowed to take her refund.

Ms. Brown is appealing the withholding of her refund payment and states that she will repay whatever overpayment is created.

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

### Lisa Black – ARCP Repayment

Lisa Black terminated state employment in August 2006 under Public Act 94-0839, the Alternative Retirement Cancellation Payment (ARCP).

Ms. Black returned to state employment in September 2019. Ms. Black contacted SERS regarding her return to work and how much she would owe to ARCP.

Ms. Black is appealing the monthly overpayment amount that was quoted to her by SERS staff and is requesting a reduced monthly payment.

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

### Rose Jackson – Appeal for Free Insurance

Rose Jackson terminated state employment in 2006 under ARCP and returned to state employment in 2013. She repaid the ARCP and purchased 4 years of the refund.

Ms. Jackson retired June 2019 with 10 years and 2 months of service. She was under the impression that she would have 20 years of service and is appealing to have health insurance at no cost.

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

### Phillip James – SSA Overpayment

Phillip James was approved for a disability benefit from SERS effective March 2016. He was approved for a retroactive Social Security disability benefit effective July 2016, which created an overpayment.

Per SERS Board policy, the Overpayment Section is to deduct half the gross of any benefit being paid toward an overpayment owed to SERS. Mr. James is requesting a reduced payment plan.

After review of the case, a motion was made by Chairman Iglarsh to approve Mr. James' request. The motion was seconded by Executive Secretary Blair and all were in favor.

### Donna Eller – SSA Overpayment

Donna Eller was approved for a disability benefit from SERS effective July 2015. She was approved for a retroactive Social Security disability benefit effective December 2015, which created an overpayment.

Ms. Eller requested a refund of contributions in August 2018, which was applied to her overpayment. SERS has requested a repayment plan for the remainder of the overpayment based on the current schedule. Ms. Eller is requesting a reduced payment plan of \$100.00 per month.

After review and discussion, a motion was made by Executive Secretary Blair to deny Ms. Eller's request but offer a repayment plan of \$145.00 per month. The motion was seconded by Vice-Chairperson Morris and all were in favor.

### Gainful Employment Rules Amendment

Jeff Houch presented a summarization of the proposed changes to the SERS Gainful Employment rule, per the Executive Committee's request.

After reviewing the proposed changes, the Committee deferred action pending further review and changes to the rule language.

There being no further business to be brought before the Committee, the meeting was adjourned at 12:38 p.m.

The next meeting of the Executive Committee is scheduled for October 10, 2019, 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