

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

May 9, 2024

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, May 9, 2024, at 8:45 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee Members Present:

Marvin Becker, Chairperson (via Videoconference)
Arnold Black, Vice-Chairperson
Timothy Blair, Executive Secretary

Others Present:

Jeff Houch, Associate Executive Secretary
Samantha Goetz, General Counsel
Casey Evans, Chief Internal Auditor
Jessica Blood, Recording Secretary
Aaron Evans, Attorney, Sorling Northrup
David Morris, SERS Retiree

Minutes of the Previous Meeting

The minutes of the Executive Committee's meeting on April 11, 2024, were presented by Chairperson Becker for approval. Copies of the minutes were previously emailed to Committee members for review. Executive Secretary Blair moved to approve the minutes as submitted. The motion was seconded by Chairperson Becker and passed unanimously.

Routine Claims Report

The Routine Claims Report for April 2024 was presented. Following a brief discussion, the Routine Claims Report for April 2024 as prepared by staff was received by the Committee.

Old Business

Ronald Faltin – Appeal Termination of Nonoccupational Disability Benefit and Overpayment of Benefits – Exceeded Earnings Limitation – Deferred

Ronald Faltin began receiving nonoccupational disability benefits from SERS effective December 2, 2021. During the 2nd quarter of 2023, Mr. Faltin exceeded the gainful

activity earnings limitation by \$372. On August 23, 2023 (during the 3rd quarter of 2023) he signed an earnings limitation agreement, paid the excess earnings to SERS, and resumed receiving nonoccupational disability benefits through November of 2023.

Mr. Faltin's payments were stopped effective December 1, 2023 because it was discovered that he exceeded the gainful activity earnings limitation for the 3rd Quarter of 2023 by \$1,118.55.

Title 80, Section 1540.85 b) of the Illinois Administrative Code provides that everything paid by SERS to Mr. Faltin after September 1, 2023 was an overpayment. His true overpayment is \$6,204.96.

Mr. Faltin is appealing the overpayment and termination of his benefits. He has requested a written hearing.

After discussing the facts of Mr. Faltin's appeal at their March and April 2024 meetings, the Committee decided to defer a decision pending further research into Mr. Faltin's overpayment and agency earnings limitation policy.

After a brief discussion, the Committee decided to again defer a decision pending receipt of additional earnings documentation from Mr. Faltin.

New Business

Joey Jordan – Appeal to Waive Overpayment Caused by Retroactive Workers' Compensation Award

Joey Jordan is an inactive member formerly employed as a correctional guard who was injured on June 1, 2015. He received "extended leave benefits" payable from IDOC through May of 2016. He exhausted his extended leave benefits on June 8, 2016. He then began receiving occupational disability benefits effective June 9, 2016, and ceased on August 10, 2016. Effective January 11, 2017, Mr. Jordan received additional occupational disability benefits as a result of a workers compensation award, but such benefits were stopped shortly thereafter. Effective January 16, 2017, and continued through December 31, 2017, Mr. Jordan received temporary disability benefits, which were stopped because he failed to cooperate with SERS' investigation on whether he was gainfully employed.

SERS was notified that Mr. Jordan received a workers' compensation award in the net amount of \$53,896.87 (excluding attorney fees and medical expenses) for the period of January 16, 2017 through December 31, 2017. His receipt of this award required the conversion of his temporary disability benefits to occupational disability benefits, which created an overpayment in the amount of \$20,356.14, see 40 ILCS 5/14-123.1(d). Mr. Jordan is appealing this overpayment.

After discussing the facts relevant to the case, Executive Secretary Blair moved to deny Mr. Jordan's appeal. The motion was seconded by Chairperson Becker and passed

unanimously.

Leah Gibbs – Appeal Denial of Nonoccupational Disability Benefits

Leah Gibbs works as a Mental Health Technician for the Department of Human Services. She last worked December 25, 2023 and went on a medical leave of absence January 3, 2024. Ms. Gibbs' file was sent to MMRO, SERS' Medical Consultants for review. MMRO doctors determined that Ms. Gibbs' file lacked objective medical evidence to support that she is mentally or physically incapacitated from performing her job as a Mental Health Technician.

Ms. Gibbs submitted a revised medical report form along with her request for an appeal. She was informed that copies of all her medical records would be helpful, but nothing else was submitted.

After reviewing the case and some discussion, Chairperson Becker moved to deny Ms. Gibb's appeal. The motion was seconded by Vice-Chairperson Black and passed unanimously.

Christina Petrites – Settlement Offer – Deceased Mbr: Stanley Petrites

Stanley Petrites was the eligible survivor of SERS retiree Virginia A. Petrites. Virginia died November 19, 2011, and Stanley became eligible for a monthly survivor annuity on December 1, 2011.

Stanley Petrites was living in Indiana and died on December 1, 2015. His death was not reported to SERS, and he was not found on a monthly death match list until May 10, 2022, after SERS switched vendors to Lexis-Nexis.

On May 13, 2022, SERS suspended the survivor benefit of Mr. Petrites and researched the situation. Christina Petrites, daughter of Stanley Petrites, became POA for Stanley on September 2, 2015, and SERS received the POA on September 25, 2015. After the death of Stanley Petrites, Christina did not report the death and made several changes on behalf of Stanley, including a switch to hard copy checks from direct deposit, submitting affidavits for lost checks and submitting a change of address form.

After the death of Stanley Petrites, Christina Petrites received and cashed checks in the amount of \$97,478.36. SERS has recovered \$1,371.46 for a remaining balance of \$96,106.90. The Illinois Attorney General's Office is representing SERS in trying to recover these funds from Christina Petrites. Her attorney has offered that Christina is able to pay \$20,000 to settle the claim.

After discussing the facts of the case, the Committee decided to defer a decision pending research into Ms. Petrites' assets.

Discussion – Elected Active Trustee Eligibility

During the recent process to fill three vacancies for active member trustees and one vacancy for retire trustee, only three active members and one retired member met the qualifications to be on the ballot and were declared the winners of the seats, effective July 16, 2024.

SERS was recently notified that one of the active trustees whose term begins July 16, 2024, has taken a leave of absence from her state position effective April 1st, and is working full-time for AFSCME Council 31. According to statute, the four active trustees must be active participants of the system with at least 8 years of creditable service to be elected by the contributing members of the system. Promulgated rules define “contributing member” as any member of the system, as defined in 40 ILCS 5/14-103.06 of the Code, who is currently contributing to the System.

Administrative Rules specify that if a candidate becomes ineligible for office before the election, which is held during the entire month of May, the Board will notify the candidate of the ineligibility and remove the candidate’s name from the ballot. While there is no election due to the limited number of candidates, SERS was notified of this candidate’s change in status prior to May 1 and would not have included her on the ballot.

Pursuant to the relevant laws and rules, a state employee who is no longer an active contributing member is ineligible to serve as a Contributing Member Trustee. The Board adopted a policy in 2016 that specifies how the Board is to appoint a qualifying member to fill a vacancy in an active trustee position.

After discussing the issue at hand, the Committee decided to refer the matter to external counsel for a recommendation.

There being no further business to be brought before the Committee, the meeting was adjourned at 10:01 a.m.

The next meeting of the Executive Committee is scheduled for June 13, 2024, in the System’s Springfield office.

Marvin Becker, Chairperson

Arnold Black, Vice-Chairperson

Timothy Blair, Executive Secretary