

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

June 15, 2023

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, June 15, 2023, at 8:45 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee Members Present:

Marvin Becker, Chairperson
David Morris, Vice-Chairperson
Timothy Blair, Executive Secretary

Others Present:

Jeff Houch, Associate Executive Secretary
Eric Glaub, Manager, Claims Division
Karen Brown, Supervisor, Disability Section
Aaron Evans, Attorney, Sorling Northrup
Jessica Blood, Recording Secretary
Denise Rogers, Claimant (via teleconference)

Minutes of the Previous Meeting

The minutes of the Executive Committee's meeting on May 11, 2023, were presented by Chairperson Becker for approval. Copies of the minutes were previously e-mailed to Committee members for review. Chairperson Becker moved to approve the minutes as submitted. The motion was seconded by Vice-Chairperson Morris and passed unanimously.

Routine Claims Report

The Routine Claims Report for May 2023 was presented. Following a brief discussion, the Routine Claims Report for May 2023 as prepared by staff, was received by the Committee.

Old Business

Venus Brown – Appeal of Nonoccupational Disability Benefit Claim Denial - Recommendation

Venus Brown applied for SERS' nonoccupational disability benefit. Her case was sent to

the medical consultants for review and determination of disability. The returned report indicated that Ms. Brown was not incapacitated from performing her job duties.

Ms. Brown is appealing the denial, stating she wasn't told what she needed to submit to be approved. Ms. Brown also questioned why she wasn't given the opportunity to provide additional documentation and why SERS did not request additional information after Ms. Brown provided a release of information form.

Ms. Brown is requesting a Zoom hearing and states all documentation has been provided to SERS through her Examiner.

During Ms. Brown's presentation of her appeal at the Committee's April 2023 meeting, she noted that she had additional medical documentation to provide to the Committee. After a brief discussion, the Committee decided to defer a decision pending receipt of the additional medical documentation.

After determining that Ms. Brown had not provided any additional substantive medical documentation at their May 2023 meeting, the Committee decided to refer her case to external counsel for a recommendation.

Attorney Evans presented Recommendation No. 2023-13, to deny Ms. Brown's appeal. Following a discussion regarding the case, Chairperson Becker moved to adopt Recommendation No. 2023-13. The motion was seconded by Vice-Chairperson Morris and passed unanimously.

Glenn Strow – Appeal of Adjustment to Monthly Pension Amount – Recommendation

Glenn Strow retired June 1, 2018. His file was recently reviewed for a back wage adjustment from retirement contributions that were posted to his account after he retired. The contributions were the result of payments made for the Quinn era wage freezes.

The review led to Mr. Strow's FAC being decreased because when many of the earnings from the Quinn back wage payments were spread into the months in which they were earned, many of the earnings used in the initial calculation fell outside the final FAC range.

Additionally, there were comp time earnings paid in lump sums that had to be respread into the months they were earned. This also reduced the FAC because many of the earnings initially included were for earnings months outside of the final FAC range.

The decreased FAC led to a decrease in his pension amount. In accordance with Section 14-148.1 of the Illinois Pension Code, Mr. Strow's gross monthly pension benefit amount has been corrected, and the overpaid monies cannot be collected.

Glenn Strow is appealing the adjustment to his monthly pension annuity. After hearing Mr. Strow present his case at their May 2023 meeting, the Committee decided to refer

to external counsel for a recommendation.

Attorney Evans presented Recommendation No. 2023-14, to deny Mr. Strow's appeal. After a review and some discussion, Executive Secretary Blair moved to adopt Recommendation No. 2023-14. The motion was seconded by Vice-Chairperson Morris and passed unanimously.

Bette Ziegler – Appeal to Receive Pension Annuity after Required Minimum Distribution – Deferred

Bette Ziegler was notified on February 10, 2021 that she met the criteria for a Required Minimum Distribution (RMD) from her retirement account, in accordance with Section 401(a)(9) of the Internal Revenue Code, because she attained age 72. She was informed that failure to act would result in a forced refund of her retirement contributions. The letter also informed her she was eligible for a retirement annuity if interested.

After receiving no response, SERS staff sent a second and final notice via certified mail on March 16, 2021 to inform Ms. Ziegler she needed to act by April 1, 2021. The returned certified mail card was received with a March 20, 2021 date of delivery. Nothing further was received by the deadline and on April 5, 2021 a letter was sent to inform Ms. Ziegler that an involuntary refund was being issued to her. A letter with the payment details was sent on April 9, 2021, and the refund was issued on April 14, 2021.

Prior to this, Ms. Ziegler was notified on January 2, 2020 that she met the criteria for a RMD from her retirement account because she was aged 70½. The letter also informed her she was eligible to apply for a retirement annuity. However, the RMD process was halted by the IRS because of the global pandemic and no follow up or refund took place.

Ms. Ziegler had previously applied to retire and on May 14, 2019 her application was returned to her requesting completion of the survivor contribution refund question and a copy of her birth certificate. A second request was sent on August 23, 2019. This notice was sent again via certified mail once the account was flagged for RMD as noted above in 2020. No responses were ever received, and the pension claim was later purged.

Bette Ziegler is appealing to receive a retirement annuity two years after her RMD was paid out. Attorney Amy Cramer presented the appeal on behalf of Ms. Ziegler at the Committee's April 2023 meeting, where it was deferred pending further research into the applicable statute.

After discussing Ms. Ziegler's case in more detail at their May 2023 meeting, the Committee decided to defer a decision pending further research into Ms. Ziegler's options for an annuity after RMD.

Following further discussion regarding the options available, Chairperson Becker moved to allow Ms. Ziegler to retire effective retroactively to April 1, 2021, on the condition that she repay the full amount of her refund, including the amount of federal

taxes that were withheld from the refund. The motion was seconded by Vice-Chairperson Morris and passed unanimously.

Michelle Billhorn-Hartford – Appeal of Nonoccupational Disability Benefit Claim Denial – Deferred

Michelle Billhorn-Hartford works as a Public Service Representative at Driver Services for the Secretary of State. She last worked 10/29/2021 and began a leave of absence on 11/2/2021 due to medical issues. She has applied for a SERS nonoccupational disability benefit.

Ms. Billhorn-Hartford's case was reviewed by SERS' medical consultants and was denied for lack of medical evidence to support her inability to perform her job duties. She supplied additional medical records with her request for an appeal of her denial to the Executive Committee.

The additional medical records provided were submitted to the medical consultants, who were asked to re-review her claim. The claim was again denied.

Ms. Billhorn-Hartford is requesting a personal hearing in the Springfield office to appeal the denial of her disability claim.

Ms. Billhorn-Hartford presented her claim at their April 2023 meeting and informed the Committee that she had further medical documentation to provide to the Committee, though it was not with her at the time. After hearing Ms. Billhorn-Hartford's appeal, the Committee decided to defer a decision pending receipt of the additional medical documentation.

After discussing the additional medical documentation provided by Ms. Billhorn-Hartford, the Committee decided to defer a decision pending an additional medical opinion from MMRO. The MMRO recommended disapproval of Ms. Billhorn-Hartford's claim for the third time.

Following a discussion regarding the facts of the appeal, the Committee decided to refer Ms. Billhorn-Hartford's case to external counsel for a recommendation.

Tara Kulavic (POA) – Appeal of Nonoccupational Disability Benefit SSA Overpayment – Mbr: Martha Kohlrus – Deferred

Martha Kohlrus was on SERS' nonoccupational disability benefit and was required to file for Social Security disability benefits. She was approved with an entitlement date of February 1, 2021. SERS then applied an offset of her nonoccupational disability benefit from February 1, 2021 through November 30, 2022. This offset created an overpayment of benefits.

Ms. Kohlrus is appealing the total amount of her overpayment, as she did not receive the full amount of the offset for these same months from Social Security. She did not

receive her full back pay, as she had been receiving widow/survivor benefits under her deceased husband's account.

Ms. Kohlrus, through her daughter and POA Tara Kulavic, is appealing to have her overpayment reduced to the amount she received from SSA for her disability from February 1, 2021 through November 30, 2022.

Ms. Kohlrus's disability half time ceased, and she will begin receiving her pension. She has requested a personal hearing in Springfield. Ms. Kohlrus' appeal was deferred at the Committee's April 2023 meeting due to a scheduling conflict.

Tara Kulavic, POA, presented the appeal on behalf of Ms. Kohlrus at their May 2023 meeting. After reviewing the facts presented and some discussion, the Committee decided to defer a decision pending research into the possibility of a retroactive retirement for Ms. Kohlrus to February 2021. Eric Glaub informed the Committee that he would be in contact with Ms. Kulavic regarding estimates for the retroactive pension.

The retroactive pension estimate was provided to Ms. Kulavic in advance of the June 2023 meeting. After her review of the documents provided, she determined there was no interest in a retroactive pension option.

Following further discussion regarding Ms. Kohlrus' appeal, the Committee decided to refer to external counsel for a recommendation.

John Gordon – Appeal to Purchase Service Credit for Period of Contractual Employment – Deferred

John Gordon is an active Tier 2 member who recently inquired about establishing service credit in accordance with Public Act 94-0612, which permits members to establish up to 8 years of service credit for employment with the Visually Handicapped Managers of Illinois (VHMI). During his inquiry, Mr. Gordon mentioned he was employed by that group on a contractual basis. His request to establish such credit was denied by staff because of his status as a contractor with that employer.

Section 14-104(p) of the Illinois Pension Code (40 ILCS 5/14-104(p)), permits a member to establish service credit for time spent "employed by the Visually Handicapped Managers of Illinois." The phrase "employed by" is used frequently throughout the governing statutory provisions applicable to SERS, and the System's position is that such term means that an individual is a payroll employee of an employer, who is eligible for wages and other employment benefits.

The System contends that although Public Act 94-0612 permits a member to establish service credit for service in which a member was employed as payroll employee of VHMI, it was not the legislature's intent to permit a member to establish service credit for time in which he or she rendered contractual services to VHML. Had the legislature intended to also permit a member to establish service credit for time in which the

member rendered "contractual services", they would have included language similar to the language contained in subsections (s), (t), and (v) of Section 14-104 of the Illinois Pension Code.

Mr. Gordon is appealing to the committee to be allowed to purchase such credit given the nature of his employment relationship with VHML.

After discussing Mr. Gordon's appeal at their May 2023 meeting, the Committee decided to defer a decision pending discussion with SERS' Accounting Division regarding identifying potential eligible periods for service purchase.

Following further review of the pertinent information, Executive Secretary Blair moved to deny Mr. Gordon's appeal. The motion was seconded by Chairperson Becker and passed unanimously.

New Business

Denise Rogers – Appeal of Nonoccupational Disability Claim Denial – Personal Hearing via Teleconference – 9:00 a.m.

Denise Rogers works as an Employment Security Services Representative for the Illinois Department of Employment Security. She applied for a nonoccupational disability benefit and has been off work since December 22, 2022.

Ms. Rogers' claim was submitted to MMRO for medical review. The review found the evidence was insufficient to find her incapacitated from performing her job duties and Ms. Rogers was sent a denial letter.

Ms. Rogers is appealing the denial of her disability claim. She submitted additional medical records. All newly submitted records that pertained to her current medical condition were sent back to MMRO for another review. An addendum to the original report upheld the denial of benefits.

After hearing Ms. Rogers present her appeal, the Committee decided to refer to external counsel for a recommendation.

Shucooly Beecham – Appeal Termination of Temporary Disability Benefit

Ms. Beecham has been on a SERS temporary disability benefit since July 2020. SERS received information that she exceeded the quarterly earnings limitation during the 3rd and 4th quarters of 2022, working for Chicago Public Schools.

She was originally notified that she exceeded the limit in the 3rd quarter, but she called with concern about signing the required Earnings Agreement because she felt she had exceeded in the 4th quarter as well. When all the information was received, she did in fact exceed the limit in both quarters by a total of \$5,153.60. She was sent another letter about her overpayment along with a revised Earnings Agreement. The

Earnings Agreement was to be signed and returned within 30 days. She was also sent an additional collection letter by Benefit Support.

Ms. Beecham failed to pay her overpayment and did not return her Earnings Agreement as required. Since she did not comply, her benefit was terminated effective December 31, 2022. This created an additional overpayment of all disability benefits paid after this termination date.

As a result, an additional \$10,249.50 was added to her overpayment for benefits paid January 1, 2023, through March 31, 2023. A total overpayment of \$15,403.10 now exists.

Ms. Beecham is appealing the decision to terminate her benefits. She would like to have her benefit reinstated. Additionally, Ms. Beecham is asking that her overpayment be reversed back to the original \$5,153.60 and she be given a repayment plan on this amount. She is requesting a written appeal.

After discussing the facts of the case, Executive Secretary Blair moved to deny Ms. Beecham's appeal and offer a 60-month (5-year) repayment plan for the full overpayment. The motion was seconded by Chairperson Becker and passed unanimously.

Latrissa Weddle – Appeal of Nonoccupational Disability Benefit Claim Denial

Latrissa Weddle applied for a SERS nonoccupational disability benefit with an onset of January 12, 2023. She did not indicate on the application the reason for her disability. She works as a Child Protection Specialist at DCFS.

Ms. Weddle's file was sent to MMRO for review. They determined that the medical evidence provided in support of the claim did not prove that she was physically or mentally incapacitated from performing her job duties.

Ms. Weddle is appealing the denial. She provided additional medical evidence as well as a more detailed description of her job duties.

After reviewing the facts presented and some discussion, Chairperson Becker moved to deny Ms. Weddle's appeal. The motion was seconded by Vice-Chairperson Morris and passed unanimously.

Pamela Smith – Request for Reappeal of Nonoccupational Disability Benefit Claim Denial

Pamela Smith had a written appeal that was considered at the January 12, 2023 meeting of the Executive Committee. She appealed the denial of her nonoccupational disability claim.

Ms. Smith's written appeal was denied, and the decision became final at the meeting of

the Board of Trustees on April 25, 2023.

Per correspondence received, Ms. Smith is requesting a reappeal of the denial of her nonoccupational disability claim.

After reviewing the case and concluding that Ms. Smith did not provide additional documentation sufficient to change the outcome, no member of the Committee moved to allow her a reappeal.

Annamma Job – Request for Reappeal of Nonoccupational Disability Benefit Claim Denial

Annamma Job had a written appeal that was considered at the January 12, 2023 meeting of the Executive Committee. She appealed the denial of her nonoccupational disability claim.

Ms. Job's written appeal was denied, and the decision became final at the meeting of the Board of Trustees on April 25, 2023.

Per correspondence received, Ms. Job is requesting a reappeal of the denial of her nonoccupational disability claim.

After reviewing the case and concluding that Ms. Job did not provide additional documentation sufficient to change the outcome, no Committee member moved to grant her a reappeal.

Diane Shasteen – Request for Reappeal to Retire with 20 Years of Service

Diane Shasteen had a written appeal that was considered at the February 9, 2023 meeting of the Executive Committee. She appealed to retire with 20 years of service.

Ms. Shasteen's written appeal was denied, and the decision became final at the meeting of the Board of Trustees on April 25, 2023.

Per correspondence received, Ms. Shasteen is requesting a reappeal of the denial for her to retire with 20 years of service.

Following some discussion, the Committee determined that the additional documentation provided by Ms. Shasteen was not sufficient to change the outcome of her claim, and no member moved to grant her a reappeal.

Lenora Rogers – Staff Direction for Retroactive Retirement Date

Lenora Rogers applied to retire effective January 1, 2023. Prior to her retirement Ms. Rogers was receiving a SERS occupational disability benefit that was to expire when she attained age 65. Her SERS occupational disability benefit was ceased effective October 1, 2021.

During the routine review of her retirement account in preparation for her first payment, it was discovered that the birth date on the birth certificate already on record for Ms. Rogers did not match the birth certificate that was submitted with her retirement packet.

It was confirmed that the earlier birth date was correct, meaning Ms. Rogers' SERS occupational disability was overpaid by a year after she reached age 65. The SERS occupational disability should have only been paid through September 30, 2020. Ms. Rogers was notified of this overpayment and the balance due has mostly been recovered from her pension payments.

Ms. Rogers did not resign with her agency until December 31, 2022. SERS and Ms. Rogers reached out to see if her former employer, DHS, would accept a back dated resignation date so she could receive a retroactive retirement date of October 1, 2020, when the SERS occupational disability benefit should have ceased. The agency denied the request.

The Pension and Death Section is requesting staff direction on whether Ms. Rogers can be granted a retirement effective date of October 1, 2020, when her SERS occupational disability benefit ended.

After reviewing the facts presented and some discussion, Executive Secretary Blair moved to direct staff to grant Ms. Rogers a retirement effective date of October 1, 2020. The motion was seconded by Vice-Chairperson Morris and passed unanimously.

Charles Davis – Request Reinstatement of Refund

Charles Davis is a Tier 1 alternative formula member as he was a security employee of the Department of Corrections (IDOC) until he terminated service on April 30, 2023. Mr. Davis applied to begin his retirement benefit effective May 1, 2023. Mr. Davis currently has 9 years and 10 months of service on file.

On June 23, 2014, SERS received a refund application from Mr. Davis. The refund reflected 179.5 months of service, which was earned between March 1, 1998 and February 15, 2013. It should also be mentioned that Mr. Davis was suspended on February 15, 2013. On June 24, 2014, an arbitrator ordered that Mr. Davis was entitled to reinstatement and backpay, and he was granted service and earnings credit retroactive to July 1, 2013.

Mr. Davis's refund was issued on August 6, 2014. He elected for his refund to be issued directly to him, minus taxes and funds involuntarily withheld by the Office of the Comptroller (IOC). The amount of the involuntary withholding was subsequently credited back to Mr. Davis directly. Mr. Davis never cashed his net refund check and on September 4, 2014, SERS received notice from Mr. Davis to revoke his initial election for refund. The refunded amount was credited to Mr. Davis's SERS account, and he is in the process of repaying the amount that was involuntarily withheld by the IOC, to

SERS. Unfortunately, those SERS employees who were responsible for reclaiming the tax payment from the refund failed to act in a timely manner, and because of the oversight, SERS was unable to reclaim such payment from the IRS.

Mr. Davis is appealing for his 179.5 months of service credit to be reinstated without repaying the taxes that were issued to the IRS.

After discussing the facts of the case, the Committee decided to defer a decision pending communications with the IOC regarding potential tax implications of the request.

Iris Johnson – Request Reappeal to Revoke Level Income Option

Iris Johnson has requested to reappeal the denial of her appeal, which was enacted unanimously by the Executive Committee at their March 9, 2023 meeting. This decision was ratified by the Board at their April 25, 2023 quarterly meeting. Staff contends that Ms. Johnson is repeating the same contentions that she previously expressed and that recommendation 2023-8 thoroughly addressed Ms. Johnson's many contentions, including those she has repeated in her request for reappeal.

Ms. Johnson was also advised on multiple occasions why her contact information contained in the appeal packet was redacted, as the staff redacts personal information that is irrelevant to the appeal. She was provided with clear evidence illustrating that all correspondence related to her retirement account was sent to her home address. SERS did mail her information related to purchasing the 6 months of her Qualifying Period to her employer's address. Ms. Johnson received that mailing sent to her office address because on November 2, 1998, she completed that purchase.

After reviewing the information presented and determining that nothing substantial was provided, no Committee member moved to grant Ms. Johnson a reappeal.

There being no further business to be brought before the Committee, the meeting was adjourned at 11:22 a.m.

The next meeting of the Executive Committee is scheduled for July 13, 2023, in the System's Springfield office.

Marvin Becker, Chairperson

David Morris, Vice-Chairperson

Timothy Blair, Executive Secretary