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

August 7, 2025

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, August 7, 2025, at 8:45 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee Members Present:

Marvin Becker, Chairperson
Arnold Black, Vice-Chairperson
Timothy Blair, Executive Secretary

Others Present:

Jeff Houch, Associate Executive Secretary
Cory Mitchelle, Manager, Claims Division
Samantha Goetz, General Counsel
Jessica Blood, Recording Secretary
Aaron Evans, Attorney, Sorling Northrup

Minutes of the Previous Meeting

Chairperson Becker presented the minutes of the Executive Committee's meeting on July 10, 2025, for approval. Copies of the minutes were previously emailed to Committee members for review. Chairperson Becker moved to approve the minutes as submitted. The motion was seconded by Executive Secretary Blair and passed unanimously.

Routine Claims Report

The Routine Claims Report for July 2025 was presented. Following a brief discussion, the Routine Claims Report for July 2025, as prepared by staff, was received by the Committee.

Old Business

Ninoslave Novakovic – Appeal Overpayment of Nonoccupational Disability Benefits – Gainful Employment – Deferred

A review of the IDES report for the first quarter of 2025 showed that Ninoslave Novakovic earned income from a company called Uzivati, INC. This income exceeded the quarterly earnings limitation and caused an overpayment of benefits.

Mr. Novakovic was sent a letter along with a copy of the overpayment calculation and the IDES report of earnings. Mr. Novakovic called his examiner and stated the money is from his own business where his annual owners' compensation this year was paid entirely in the first quarter.

Mr. Novakovic was asking if there was a way to allocate those payments over the year, as no other income will be received from his business for the remainder of the year. His examiner suggested he appeal the overpayment with the Executive Committee.

Mr. Novakovic is requesting a written appeal, requesting that his payments not be classified as "earned income" and that his overpayment be reversed.

Mr. Novakovic has explained the business structure in his letter of appeal and has also provided the Annual Corporate Reports, a Payroll Summary, IRS forms and his W-2.

After reviewing the documentation provided at their July 2025 meeting, the Committee decided to defer a decision pending further research into Mr. Novakovic's role in his business.

Samantha Goetz, SERS' General Counsel, brought the Committee's attention to a letter from Mr. Novakovic regarding the structure of the aforementioned payouts. After reviewing the new information provided, Executive Secretary Blair moved to approve Mr. Novakovic's appeal, provided that he continues to not be involved in active participation in the enterprise and that earnings from the enterprise are reported as passive earnings going forward. The motion was seconded by Vice-Chairperson Black and passed unanimously.

<u>New Business</u>

<u>Dewayne Elam – Appeal to Waive Reduction to Pension – Removal of Holiday and Unused Compensatory Time Payments from FAC – Formal Personal Hearing via Teleconference – 9:00 a.m.</u>

Jeff Houch, Associate Executive Secretary, informed the Committee that Mr. Elam's appeal would be deferred.

<u>Danny Mitchelson – Appeal to Purchase One Month of Military Time and Retain June 1st, 2025 Retirement Date</u>

Danny Mitchelson retired under the alternative formula effective June 1, 2025. Upon review, SERS determined that he is .75 months short of the 20 years of service he needs to qualify for an alternative formula pension calculation. It appears he may have military time that is eligible to purchase. He wants to purchase such military service to attain the 20 years needed to qualify for the alternative formula benefit which is 2.5% of the final average compensation (FAC) for each year of service. If approved, it's likely that the effective date of the reciprocal pensions will be changed to the 1st of the month following the completion of that service purchase. Mr. Mitchelson is seeking to purchase the 1 month of military service and maintain his effective retirement date of June 1, 2025.

After reviewing the information provided and some discussion, Executive Secretary Blair moved to approve Mr. Mitchelson's appeal, provided that he makes his military service purchase within 30 days of notice of this decision. The motion was seconded by Vice-Chairperson Black and passed unanimously.

Daniel Swisher – Appeal Denial of Nonoccupational Disability Benefits

Daniel Swisher works as a CE IV Senior Resident Engineer for the Department of Transportation. He last worked on February 27, 2025. He began a medical leave of absence on March 14, 2025 due to a medical condition.

Mr. Swisher's file was sent to MMRO medical consultants to determine if he is mentally or physically incapacitated from performing his job duties. MMRO determined that he is not disabled, and he is stable on medications.

Mr. Swisher is requesting a written appeal of his denial for nonoccupational disability benefits.

Following a review of the facts presented, the Committee decided to defer a decision pending receipt of further medical documentation.

Love Moore – Request Reappeal to Receive Temporary Disability Benefits Through September 1st, 2024 Retirement Date

On February 8, 2024, the Executive Committee unanimously denied Love Moore's appeal of the denial of temporary disability benefits, which was ratified by the Board of Trustees on April 16, 2024.

Ms. Moore timely submitted her request for reappeal, but she has deferred proceeding with the reappeal until recently.

Ms. Moore retired effective September 1, 2024, so her appeal is for temporary disability benefits to be granted up to the date of her retirement effective date.

After discussing the information presented, no member moved to grant Ms. Moore a reappeal of her case.

Melinda Denny – Appeal Overpayment of Nonoccupational Disability Benefits

Melinda Denny works as a Rehabilitation Counselor for the Department of Human Services. She began a nonoccupational disability benefit December 27, 2019. She was over the age of 60 when she started on this benefit, so she was eligible to receive this benefit through December 31, 2024.

Ms. Denny requested to retire October 1, 2020, so her benefit was stopped. She then decided not to retire and wanted to continue her disability. When the benefit was reinstated into the system, this created a new 5-year anniversary date of September 30, 2025. Because there was no break in the benefit and Ms. Denny did not return to work, the original cease date should have remained.

This error was found during an audit of her case in May 2025. This error created an overpayment of benefits from January 1, 2025 through April 30, 2025.

Ms. Denny is requesting a written appeal. She requests a determination that she has no obligation to repay SERS for our claimed overpayment. If the overpayment is withheld, she asks that her retirement benefit, which she should have received following the termination of her disability benefits, be applied to the overpayment obligation.

Following a review of the facts of the case, Executive Secretary Blair moved to deny waiving Ms. Denny's overpayment but allow her to retire retroactively to January 1, 2025 and apply her retroactive benefits to her overpayment. The motion was seconded by Vice-Chairperson Black and passed unanimously.

Vanessa Rivera – Appeal Denial of Nonoccupational Disability Benefits

Vanessa Rivera works as an Office Assistant for the Department of Human Services. She applied for a nonoccupational disability benefit alleging medical conditions affecting daily functioning and work performance, with an onset date of April 4, 2025.

Ms. Rivera's file was sent to MMRO for a medical review. The medical consultant's opinion was that there was insufficient information to support that she was incapacitated from performing her job as an Office Assistant.

Ms. Rivera is appealing the denial of benefits. She states she's having difficulty getting the treatment she needs but has been seen in Mexico. She has provided additional information in support of her claim.

She is requesting a written appeal of her denial and is asking for her disability claim to be approved.

After reviewing the documentation provided and some discussion, the Committee decided to defer a decision pending receipt of additional medical documentation.

Julie McGuire – Appeal Overpayment of Survivor's Annuity

Julie McGuire began receiving a SERS survivor annuity effective January 1, 2023. Her husband, Paul McGuire, declined the Social Security Offset Removal option at the time of his retirement, so her SERS survivor annuity is subject to offset by the amount of her

SSA survivor's annuity.

SERS was recently advised by the Social Security Administration that Ms. McGuire has been receiving a "Disabled Widow's Benefit" since December of 2022, which requires a monthly offset to her SERS survivor's annuity.

Because this error was caught within 3 years, SERS is obligated to recoup the benefits that were overpaid from January 2023 through May 2025. SERS has offered Ms. McGuire a repayment plan that will recoup the overpayment within 51 months.

Ms. McGuire is appealing this overpayment of benefits.

After discussing the case, Executive Secretary Blair moved to deny Ms. McGuire's appeal. The motion was seconded by Vice-Chairperson Black and passed unanimously.

Channe Ford – Appeal Overpayment of Nonoccupational Disability Benefits – Gainful Employment

Channe Ford began receiving survivors' benefits from State Employees' Retirement System (SERS) as a disabled surviving daughter on August 1, 2007. Given her status, she is subject to the gainful activity limitation, which occurs when the survivor receives employment wages in a calendar quarter that exceeds the "substantial gainful activity" amount that is determined annually by the commissioner of the Social Security Administration.

Records obtained through the Illinois Department of Employment Security (IDES) indicate that her employment wages exceeded that level for the 2nd calendar quarter of 2025. Her survivor's annuity was suspended effective July 1, 2025. It should also be mentioned that this is not the first time her benefit has been suspended because of "substantial gainful activity" earnings as she exceeded that limitation during 3 separate quarters. On December 14, 2023, the Executive Committee approved the reinstatement of her survivor's annuity provided that she complete and return an acknowledgement form.

Ms. Ford is appealing the suspension of her survivors' annuity.

Following a discussion regarding the information presented, Chairperson Becker moved to reinstate Ms. Ford's survivor's annuity on the condition that she signs an additional agreement not to go over the gainful earnings limitation and to pay back the overpayment. The agreement will further state that Ms. Ford's benefit will be terminated if she goes over the gainful earnings limitation again. SERS staff will also request additional medical documentation supporting her disabling condition. The motion was seconded by Vice-Chairperson Black and passed unanimously.

Add-on: Edwin Hoffman – Appeal to Stop Social Security Offset Removal

Edwin Hoffman retired effective January 1, 2023 and elected the Social Security Offset

Removal option, which reduced his SERS pension by 3.825% and would have eliminated the SSA survivor's pension offset from the SERS survivor's annuity that would be payable to his surviving spouse.

The Social Security Fairness Act of 2024 repealed the Windfall Elimination Program (WEP) and Governmental Pension Offset (GPO), and such Act will increase the Social Security (SSA) retirement pension and/or SSA survivor's pension for individuals who receive a governmental pension from a non-coordinated retirement plan.

Mr. Hoffman contends that this Act will lessen the offset that would have been applied to his spouse's potential SERS survivor's annuity before this Act was enacted as his wife's SSA retirement pension will increase due to such Act. Mr. Hoffman is appealing to revoke the offset.

Following a brief discussion, Executive Secretary Blair moved to approve Mr. Hoffman's appeal. The motion was seconded by Chairperson Becker and passed unanimously.

There being no further business to be brought before the Committee, the meeting was adjourned at 9:55 a.m.

The next meeting of the Executive Committee is scheduled for September 11, 2025, in the System's Springfield office.

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Marvin Becker, Chairperson

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Arnold Black, Vice-Chairperson

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Timothy Blair, Executive Secretary