

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

February 13, 2025

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, February 13, 2024, at 8:45 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee Members Present:

Arnold Black, Vice-Chairperson
Timothy Blair, Executive Secretary

Others Present:

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

Minutes of the Previous Meeting

The minutes of the Executive Committee's meeting on January 9, 2025, were presented to the Committee 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 Vice-Chairperson Black and passed unanimously.

Routine Claims Report

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

Old Business

Steven Beltran – Appeal for FAC to Include “On-Call” Pay – Recommendation

Steven Beltran retired under the Tier 1 alternative formula plan with a benefit start date of February 1, 2024. Given his retirement plan status, his monthly "rate of compensation" amount of \$12,682.00 was used as his "Final Average Compensation" (FAC) calculation. Mr. Beltran is appealing that the "rate of compensation" option of his final average compensation (FAC) component of his retirement annuity calculation

should include a monthly \$200 payment that was added to his rate of compensation related to a collective bargaining agreement provision which required him to respond to communications he received off-the-clock (on-call payment) for the reasons summarized in his appeal summary.

40 ILCS 5/14-103.11 provides that the "rate of compensation" is the actual rate upon which the compensation of an individual is calculated at any time as certified on a payroll. 40 ILCS 5/14-103.12(c) provides that for a Tier 1 alternative formula plan member, "final average compensation" can include "the monthly rate of compensation received by the person on the last day of eligible creditable service."

SERS administrators contend that their fiduciary duties obligate them to administer the plan to exclude this type of payment from the "rate of compensation" because it is temporary and not directly related to a member's performance of personal services, see 40 ILCS 5/14-103.10(b). Additionally, Section 14-135.03 of the Pension Code authorizes the System to formulate policy for proper operation of the System. Title 80, Section 1540.30 a)3) of the Illinois Administrative Code demonstrates that it has been the longstanding policy that the term "rate of compensation" means a member's "actual monthly base rate of pay".

Furthermore, the Committee is familiar with the Court decision of *City of Countryside v. City of Countryside Police Pension Bd. of Trustees*, 2018 IL App (1st) 171029, 122 N.E.3d 297. In that case, officers were provided a "longevity benefit" upon retirement in the form of a single, one-time salary increase, in accordance with a collective bargaining agreement. The Court pointed out:

The exclusion of these variable or irregular pay elements clearly indicates the legislature's intent that the pensionable salary be based on what the officer regularly received and would continue to receive absent his retirement, and that it not be artificially increased by fortuitous circumstances such as working long overtime hours immediately before retirement.

SERS' contends that this "on-call" monthly payment amount of \$200 is irregular compensation and that it is merely a fortuitous circumstance that Petitioner was receiving such payment at the time of his retirement and is the type of irregular compensation that the legislature intended to preclude from pensionable salary because it is not reflective of an employee's regular salary.

Finally, in the Illinois Supreme Court ruling of *Marconi vs. Chicago Heights Police Pension Board*, the majority opinion stated that "perhaps the most important function of a pension board is to ensure adequate financial resources to cover the Board's obligations to pay current and future retirement and disability benefits to those who qualify for such payments." The majority opinion also stated that an important part of this responsibility is to provide measures "so that funds are not unfairly diverted". Excluding this monthly payment from "rate of compensation" complies with this direction because if the administrators of that plan were to permit such payment to be included in the "rate of compensation", departments that employ Tier 1 alternative

formula members could artificially and significantly increase such members' pension calculations and unfairly divert pension funds.

Mr. Beltran presented his appeal to the Committee. The oral proceedings were recorded by stenographer Sharon O'Donnell, and the transcripts shall be provided to Mr. Beltran and the Executive Committee. After discussing the information presented in Mr. Beltran's appeal at their January 2025 meeting, the Committee decided to refer to external counsel for a recommendation.

Attorney Evans presented Recommendation No. 2025-1, to deny Mr. Beltran's appeal. After discussing the facts presented, Executive Secretary Blair moved to adopt Recommendation No. 2025-1. The motion was seconded by Vice-Chairperson Black and passed unanimously.

Chalen Tatum – Appeal Denial of Nonoccupational Disability Benefits – Recommendation

Chalen Tatum works for the Illinois Department of Corrections as a Stationary Chief Engineer. He applied for nonoccupational disability benefits alleging uncontrolled medical conditions. He went on a medical leave of absence in August 2024. He returned to work November 7, 2024.

Mr. Tatum's file was sent to MMRO for medical review. The medical consultant determined that the medical records did not support his mental or physical incapacity to perform his job duties. It is noted that he received treatment for the alleged impairments and has shown improvement with medications.

Mr. Tatum is appealing the denial of his claim. He feels he meets all the requirements for SERS' nonoccupational disability benefit. He has returned to work and is requesting that SERS approve his claim and pay him for the time he missed work.

Mr. Tatum submitted the same medical records that were already reviewed by MMRO. He also submitted additional CMS-95 forms, but they provide no information that would change the medical decision by MMRO.

After hearing Mr. Tatum present his case at their January 2025 meeting, the Committee referred his appeal to external counsel for a recommendation.

Attorney Evans presented Recommendation No. 2025-2, to deny Mr. Tatum's appeal. Following a brief discussion, Executive Secretary Blair moved to adopt Recommendation No. 2025-2. The motion was seconded by Vice-Chairperson Black and passed unanimously.

New Business

Jacquelyn Jordan – Appeal Overpayment of Disability Benefits – Personal Hearing – Springfield – 9:00 a.m.

Jeff Houch informed the Committee that Ms. Jordan's appeal would be deferred to their March meeting.

Marty Scott Jr. – Appeal Denial of Nonoccupational Disability Benefits – Personal Hearing via Videoconference – 9:45 a.m.

Jeff Houch informed the Committee that Mr. Scott's appeal would be deferred to their March meeting.

Karen Niepert – Appeal Denial of Nonoccupational Disability Benefits – Personal Hearing via Videoconference – 10:30 a.m.

Karen Niepert is employed at the Illinois Department of Corrections as a Licensed Practical Nurse (LPN). She last worked on October 23, 2024. She began a medical leave of absence on October 24, 2024, due to medical conditions.

Ms. Niepert was sent a letter from SERS on November 27, 2024, explaining that the medical report form she submitted was insufficient to determine disability and requesting that she submit her medical records. She then submitted a couple of CMS-95 Physician's Statements but did not supply any medical records.

Ms. Niepert's file was sent to MMRO for a medical review. They determined based on the review of medical evidence that there is no support that she is mentally or physically incapacitated from performing her duties as an LPN. There was no medical documentation provided by primary care or a mental health professional discussing any of the symptoms or medical decision making that led to her diagnosis. Additionally, they opined that it did not seem reasonable that her stated conditions would cause complete incapacitation.

SERS sent a denial letter to Ms. Niepert on December 30, 2024. She is appealing the denial of benefits. She feels her conditions currently prevent her from being able to work. She did not submit any additional medical evidence to support her claim.

Jeff Houch informed the Committee that Ms. Niepert had requested to change her appeal from a personal hearing to a written appeal.

After reviewing the information provided and some discussion, Executive Secretary Blair moved to deny Ms. Niepert's appeal. The motion was seconded by Vice-Chairperson Black and passed unanimously.

Lawrence Winfield – Appeal Overpayment of Disability Benefit

Lawrence Winfield worked for the Department of Corrections as a Senior Parole Agent. He was injured while trying to subdue a fleeing fugitive and went on a medical leave of absence February 19, 2022.

Mr. Winfield received Extended Benefits for a year. He then received TTD benefits and a SERS occupational benefit from March 1, 2023, through June 18, 2023. Workers' Compensation (WC) terminated Mr. Winfield's TTD benefits June 18, 2023. His agency switched him to a non-service-connected leave of absence, and he used benefit time through June 15, 2024. He started on SERS' Temporary benefit on June 16, 2024, through November 30, 2024. His temporary benefit ended because he is going to take his pension effective December 1, 2024.

Mr. Winfield recently received a WC settlement for his injury in 2022. Because he received a settlement, SERS had to convert his Temporary benefit to an Occupational benefit. This conversion resulted in an overpayment of benefits.

Mr. Winfield is appealing his overpayment and asking for a reduction in the amount of the offset owed on his behalf.

After discussing the facts presented, Executive Secretary Blair moved to deny Mr. Winfield's appeal. The motion was seconded by Vice-Chairperson Black and passed unanimously.

Travis Williams – Appeal Denial of Nonoccupational Disability Benefits

Travis Williams is employed at the Illinois Department Corrections as a Correctional Officer. He applied for SERS' nonoccupational disability benefit indicating multiple conditions with an onset of February 28, 2024. He last physically worked August 23, 2023. He began a medical leave of absence from his agency on February 28, 2024.

Records show that Mr. Williams was hospitalized from March 5, 2024, to March 6, 2024 and went into rehabilitation from March 7, 2024 through April 4, 2024 when he was discharged. After rehabilitation he was seen for outpatient care. This provider's report states he is released to return to work with restrictions August 12, 2024. However, DOC would not accommodate these restrictions.

Mr. Williams' file was sent to MMRO for a medical review to see if he was disabled beyond his date of release from rehabilitation. They determined he was no longer disabled after April 4, 2024, the date of his discharge.

Mr. Williams was only paid for 4 days, through April 4, 2024, after his 30-day waiting period. He called to see why he was only paid through April 4, 2024. The Examiner explained the reason for the closed period. Mr. Williams appealed the denial of benefits beyond April 4, 2024. He submitted additional medical evidence and some information from his agency. His file was returned to MMRO to consider the additional records.

MMRO returned another denial report. The reviewer indicated that the additional records did not support a change to the prior determination, noting the evidence did not show a condition at a level of severity that would prevent Mr. Williams from being able to perform the regular, unrestricted duties of his occupation as a Correctional Officer.

Mr. Williams is requesting a written appeal. He has submitted additional documentation, which has been reviewed. He is asking that his benefits be reinstated as of April 5, 2024, to present. He states he has not been released to return to his position with no restrictions and his request for reasonable accommodation was denied. His agency will not allow him to return to work.

After reviewing the facts of the case, Executive Secretary Blair moved to deny Mr. Williams' appeal. The motion was seconded by Vice-Chairperson Black and passed unanimously.

Lisa VanWassenhove – Appeal Denial of Nonoccupational Disability Benefits

Lisa VanWassenhove works for the Department of Human Services as an Account Technician II. She last worked September 20, 2024. She began a medical leave of absence on October 5, 2024, due to medical issues.

Ms. VanWassenhove submitted a medical report dated October 21, 2024. SERS requested additional medical records, and she submitted one office note from a November 8, 2024 office visit. The case was sent to MMRO for medical review.

MMRO determined that the evidence did not support that Ms. Van Wassenhove is incapacitated to perform their duties. They noted that the last progress note reported that her symptoms occur about once a month. There was no documentation on how her condition impacts her sedentary job.

Ms. VanWassenhove is appealing the denial of her claim. She has submitted a Nonoccupational Disability Medical Report dated January 9, 2025, and office visit notes from the same day. Diagnosis remains anxiety disorder. She also submitted a newspaper article about her husband's accident. She states she has severe anxiety with panic attacks daily. She states she's not sleeping and is terrified to leave her husband's side for more than 20 minutes at a time. She says she hasn't left the hospital since September 20th. Ms. VanWassenhove is requesting a written appeal.

Following a discussion regarding the information provided, Executive Secretary Blair moved to deny Ms. VanWassenhove's appeal. The motion was seconded by Vice-Chairperson Black and passed unanimously.

Maritza Soto – Appeal Denial of Nonoccupational Disability Benefits

Maritza Soto is employed at the Illinois Department of Human Services as a Human Services Caseworker. She applied for SERS' nonoccupational disability benefit alleging multiple medical conditions with an onset date of September 27, 2024.

Ms. Soto's file was sent to MMRO for a medical review. They determined that she was not physically or mentally incapacitated from performing her job duties. Their opinion was that there was not enough medical evidence presented in the medical records to document her diagnoses and physical findings associated with the noted diagnoses.

Ms. Soto was sent a denial letter. She is appealing the denial of benefits, and she submitted hundreds of pages of medical evidence, so her file was returned to MMRO to consider the additional records. MMRO returned another denial report. In this opinion, the reviewer indicated that the additional records did not reveal anything that would change the original opinion. There is no evaluation, such as a functional capacity exam, physical therapy evaluation or physical exam findings that would clarify that she is unable to perform her job duties.

Ms. Soto feels that she is unable to work at this time and that her additional medical records should show this. She has requested a written appeal.

After reviewing the documentation provided and some discussion, Executive Secretary Blair moved to deny Ms. Soto's appeal. The motion was seconded by Vice-Chairperson Black and passed unanimously.

Leola Davis – Appeal Denial of Nonoccupational Disability Benefits

Leola Davis is employed at the Illinois Department of Corrections as a Correctional Officer. She applied for SERS' nonoccupational disability benefit after an accident. She states she became disabled on July 22, 2023. SERS allowed her claim with an effective date of August 21, 2023.

Ms. Davis submitted records for her certification period. These show she has been participating in physical therapy. She could not provide copies of her medical records to support the objective findings the treating physician was indicating on her medical forms. As she was unable to support her continuing disability, her benefit was suspended as of September 30, 2024.

Ms. Davis eventually submitted a Medical Report form from her doctor noting medical conditions. She provided records from that December 17, 2024, examination and the findings were essentially normal.

Ms. Davis's file was sent to MMRO for a medical review. They determined that she has experienced a material improvement in her condition and opines that there is not a current limitation in her ability to perform the essential duties of her job. The medical records do not support why the member could not walk, stand, sit, deal with combative individuals, or maintain an appropriate workplace.

Ms. Davis was sent a denial letter December 26, 2024. She is appealing the denial of benefits, and she submitted additional medical records. This new medical was just received and has not been reviewed by the medical consultants.

Ms. Davis feels that she is unable to work at this time and that her additional medical records should show this. She has requested a written appeal.

After review and discussion of the facts presented, Executive Secretary Blair moved to deny Ms. Davis's appeal. The motion was seconded by Vice-Chairperson Black and passed unanimously.

Diane Ivy – Appeal to Revoke Retirement Annuity Election for Total Buyout Payment

Diane Ivy retired effective October 1, 2024. Prior to that, she received temporary disability benefits, which began on November 4, 2023, and ended on September 30, 2024. Ms. Ivy inquired about the Total Buyout payment option but was informed that the processing of such claim would be suspended until her Workers' Compensation claim was decided, see Title 80, Section 1540.395 b) 7) of the Illinois Administrative Code.

Ms. Ivy applied for a retirement annuity effective October 1, 2024, and her first payment was issued to her on December 23, 2024. On December 10, 2024, she voluntarily dismissed her Workers' Compensation claim, and on January 9, 2025, she contacted SERS to revoke her retirement annuity application in lieu of the total buyout payment. She was informed that she is ineligible to elect the total buyout because she had already received a retirement annuity payment prior to such request, and she elected to receive the COLA buyout payment. Both of these dynamics disqualify her eligibility to receive the Total Buyout payment, see 40 ILCS 5/14-147.5(a).

She has requested a written appeal to receive the Total Buyout payment in lieu of retirement annuity and COLA buyout payment.

After a brief discussion regarding the case, Executive Secretary Blair moved to deny Ms. Ivy's appeal. The motion was seconded by Vice-Chairperson Black and passed unanimously.

Dan Byers – Appeal to Revoke Social Security Offset Removal

Dan Byers retired effective January 1, 2014, 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 survivors pension for individuals who receive a governmental pension from a non-coordinated retirement plan.

Mr. Byers 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. Byers is appealing to revoke the offset.

After reviewing the information provided, Executive Secretary Blair moved to approve Mr. Byers' appeal. The motion was seconded by Vice-Chairperson Black and passed unanimously.

Sara Anderson – Appeal to Revoke Social Security Offset Removal

Sara Anderson retired effective September 1, 2018, and elected the Social Security Offset Removal option, which reduced her 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 her surviving spouse.

Ms. Anderson initially believed that her husband's Social Security (SSA) retirement pension would be reduced by the Windfall Elimination Program (WEP) due to his reception of a governmental pension from a non-coordinated retirement plan. However, he appealed to the Social Security Administration to eliminate the application of the WEP reduction against his SSA retirement pension and the Social Security Administration approved his appeal.

Ms. Anderson contends that this outcome will lessen the offset that would have been applied to his spouse's potential SERS survivor's annuity before this Act was enacted as her husband's SSA retirement pension will increase due to this outcome, see Title 80, Section 1540.90 c) 10). Ms. Anderson is appealing to revoke the offset.

After a brief discussion regarding the case, Executive Secretary Blair moved to approve Ms. Anderson's appeal. The motion was seconded by Vice-Chairperson Black and passed unanimously.

Toma Branche – Appeal Denial of Nonoccupational Disability Benefits

Toma Branche is employed at the Illinois Department of Corrections as a Correctional Counselor III. She last worked on October 31, 2024. She began a medical leave of absence due to medical issues.

SERS sent Ms. Branche a letter on December 9, 2024, stating the medical report form that she submitted was insufficient to determine disability, and requesting that she submit her medical records.

Ms. Branche submitted some additional medical evidence, and her file was sent to MMRO for a medical review. They determined based on the review of medical evidence that there is no support that Ms. Branche is incapacitated from performing her job duties. They note records were lacking support for a diagnosis of a condition that is severe, impairing and causing occupational dysfunction.

SERS sent a denial letter to Ms. Branche on January 8, 2025. She is appealing the

denial of benefits. She feels her conditions prevent her from being able to work currently and provided some additional documentation. Ms. Branche returned to work on January 23, 2025.

After reviewing the documentation provided, Executive Secretary Blair moved to deny Ms. Branche's appeal. The motion was seconded by Vice-Chairperson Black and passed unanimously.

Felony Forfeiture Review

According to the records of the United States District Court for the Northern District of Illinois, on May 26, 2021, a special grand jury returned a two-count indictment of perjury and attempted obstruction of justice against Timothy Mapes. (United States v. Mapes, No. 21-CR-345 (N.D. Ill. May 26, 2021). On August 24, 2023, a jury found Mr. Mapes guilty of both counts. (United States v. Mapes, No. 21-CR-345 (N.D. Ill. August 24, 2023)). The offenses of perjury (18 U.S.C. § 1623(a) (2018)) and attempted obstruction of justice (18 U.S.C. § 1512(c)(2) (2018)) are felonies under federal law (18 U.S.C. § 3559 (2018)).

SERS reached out to the Office of the Attorney General for an opinion on whether Mr. Mapes' felony convictions related to, arose out of, or were in connection with, his service as a State employee, thereby requiring the forfeiture of his SERS pension benefits. On January 22, 2025, SERS received the opinion from the Attorney General's Office that Mr. Mapes was convicted of felonies requiring the forfeiture of his pension benefits under the State Employees' Retirement System pursuant to section 14-149 of the Illinois Pension Code.

After a lengthy discussion regarding the information presented, the Committee directed SERS' general counsel to submit a recommendation for action at their next meeting.

There being no further business to be brought before the Committee, the meeting was adjourned at 11:07 a.m.

The next meeting of the Executive Committee is scheduled for March 13, 2025, in the System's Springfield office.

Arnold Black, Vice-Chairperson

Timothy Blair, Executive Secretary