

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

January 9, 2025

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, January 9, 2024, 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  
Samantha Goetz, General Counsel  
Cory Mitchell, Manager, Claims Division  
Karen Brown, Supervisor, Disability Section  
Jessica Blood, Recording Secretary  
Aaron Evans, Attorney, Sorling Northrup

Others Present via Teleconference:

Sharon O'Donnell, Stenographer  
Steven Beltran, Claimant  
Chalen Tatum, Claimant

Minutes of the Previous Meeting

The minutes of the Executive Committee's meeting on December 12, 2024, were presented by Chairperson Becker 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 Vice-Chairperson Black and passed unanimously.

Routine Claims Report

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

## Old Business

There was no old business to discuss.

## New Business

### Steven Beltran – Appeal for FAC to Include “On-Call” Pay – Formal Personal Hearing via Videoconference – 9:00 a.m.

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, the Committee decided to refer to external counsel for a recommendation.

Paul Moak – Appeal to Waive Reduction of Pension – Removal of Unused Compensatory Time Payment from FAC Calculation – Formal Personal Hearing via Videoconference – 9:45 a.m.

Jeff Houch informed the Committee that Mr. Moak's appeal would be deferred to their March 2025 meeting.

Chalen Tatum – Appeal Denial of Nonoccupational Disability Benefits – Informal Personal Hearing via Videoconference – 10:00 a.m.

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, the Committee referred his appeal to external counsel for a recommendation.

#### Lakesha Campbell – Appeal Denial of Nonoccupational Disability Benefits

Lakesha Campbell works as a Motor Vehicle Cashier for the Illinois Secretary of State. She applied for nonoccupational disability benefits and began a leave of absence from her agency on June 21, 2024.

Ms. Campbell's file was sent to MMRO for a medical review. The medical consultant did not find that her impairments incapacitated her from performing her job duties. It was concluded that Ms. Campbell has no major physical limitations and no severe mental symptoms warranting incapacity. Her condition is mild to moderate, treated with low-dose medication and with overall mild symptoms.

Ms. Campbell disagrees with the medical consultants and feels that her condition qualifies her for the benefit. She submitted additional medical records to support her claim.

Ms. Campbell is requesting a written hearing and asks that her disability claim be approved.

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

#### Erica Jackson – Appeal Denial of Nonoccupational Disability Benefits

Erica Jackson works as a Public Service Representative at the Illinois Secretary of State. She applied for nonoccupational disability benefits and began a leave of absence from her agency on September 4, 2024.

Ms. Jackson's file was sent to MMRO for a medical review. The medical consultant did not find that her impairments incapacitated her from performing her job duties.

Ms. Jackson disagrees with the medical consultants and feels that the evidence she supplied fully supports a disabling condition and her eligibility for benefits. She has submitted a letter from her treating provider and her letter of appeal.

Ms. Jackson is requesting a written hearing and asks that her disability claim be approved.

After discussing the facts of the case, Executive Secretary Blair moved to deny Ms.

Jackson's appeal. The motion was seconded by Chairperson Becker and passed unanimously.

Giovanna W. Lewis – Appeal to Receive Survivor's Contribution Refund after Retirement

Giovanna Lewis retired effective August 1, 2024. She indicated that she was single on her retirement application and did not elect to receive a refund of her survivor's contributions. 40 ILCS 5/14-130(c) provides that "a member no longer in service who is unmarried and does not have an eligible survivor's annuity beneficiary on the date of application therefore is entitled to a refund of contributions for widow's annuity or survivors' annuity purposes, or both, as the case may be, without interest."

Ms. Lewis is appealing to receive this refund because she is unmarried without children, and she was unaware that she effectively declined this refund at the time of her retirement application.

After a brief discussion, Executive Secretary Blair moved to deny Ms. Lewis'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 10:18 a.m.

The next meeting of the Executive Committee is scheduled for February 13, 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