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

September 11, 2025

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, September 11, 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
Dennis Austin, Claimant
Donna Joyce Austin, Claimant's Spouse

Minutes of the Previous Meeting

Chairperson Becker presented the minutes of the Executive Committee's meeting on August 7, 2025, 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 August 2025 was presented. Following a brief discussion, the Routine Claims Report for August 2025, as prepared by staff, was received by the Committee.

Old Business

Daniel Swisher – Appeal Denial of Nonoccupational Disability Benefits – Deferred

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 at their August 2025 meeting, the Committee decided to defer a decision pending receipt of further medical documentation.

After reviewing the additional documentation presented, Chairperson Becker moved to deny Mr. Swisher's appeal. The motion was seconded by Executive Secretary Blair and passed unanimously.

New Business

Dennis Austin – Appeal Overpayment of Disability Benefits – Personal Hearing – Springfield – 9:00 a.m.

Dennis Austin works for the Department of Corrections. He suffered occupational injuries on March 16, 2017, August 30, 2019, and March 14, 2020. He received 7T occupational benefits and TTD benefits from Workers' Compensation (WC) in 2017 and 2020.

In December of 2020, SERS received an Arbitrator's decision settling Mr. Austin's claim. The Disability Section converted him from a 7T benefit to a 7N benefit and started offsetting the WC settlement. The net settlement was fully offset in June 2021. From July 2021, SERS paid Mr. Austin the full 75% benefit.

In December of 2024, SERS received an IWCC Decision and Opinion on Review, which awarded Mr. Austin TPD benefits from June 16, 2020, through January 20, 2023. He also received PPD benefits for 150 weeks for permanency.

In reviewing Mr. Austin's file, it was discovered that the Arbitrator's decision was for a 2019 injury, not the March 2020 injury. Mr. Austin had been receiving TTD benefits on his March 14, 2020 injury and 75% occupational benefit from SERS at the same time.

Because the statutes do not allow SERS to collect on any mistake made greater than three years, SERS calculated an overpayment of TTD from June 16, 2020 to November 30, 2020 due to a TTD rate change. Staff converted the 7N paid, back to a 7T from December 1, 2020, through January 20, 2023, when TTD benefits ended.

Because SERS just received a settlement on the current file, with PPD starting January 21, 2023, SERS did adjust the 7N paid from January 21, 2023 to present. This adjustment created an overpayment of benefits. Mr. Austin's benefit ended March 31, 2025, and he received his last disability check in April 2025. He has applied to retire effective July 1, 2025.

Mr. Austin participated in a personal hearing appeal and disputing the overpayment. His presentation summarized the details of his working related disability, his Workers' Compensation award and related process in obtaining such payment, He also stated that he received multiple letters from SERS stating he would receive a specific benefit amount until March 31, 2025 and then he could retire. He contends that he should have received that amount and should not owe any overpayment to SERS.

Following a review of the information provided, the Committee referred Mr. Austin's case to external counsel for a recommendation.

Lori Rees – Appeal for Recalculation of FAC – Formal Personal Hearing – Springfield – 9:45 a.m.

Jeff Houch, Associate Executive Secretary, informed the Committee that Ms. Rees had requested to defer her appeal until their October 2025 meeting.

Jeannette Chu – Appeal Overpayment of Disability Benefits

Jeannette Chu has worked for the Illinois Department of Veterans Affairs since June 2019. She went on a nonoccupational disability benefit on August 20, 2021. At that time her half-time ceasing date was calculated to be October 31, 2022.

Ms. Chu was requested by mail to submit additional medical records so SERS could see how her treatment was going and how she responded. Ms. Chu failed to submit the required medical evidence, and her benefits were suspended on June 7, 2022.

Ms. Chu eventually submitted the required medical evidence and her benefit was reinstated. The benefit calculation sheet had the correct half-time ceasing date of October 31, 2022. However, the system did not hold this date in the Prod Apps "Bl" screen, so her benefit did not stop on October 31, 2022.

In June 2025, SERS received a copy of Ms. Chu's Notice of Award from the Social Security Administration. She was entitled to SSA disability benefits as of June 1, 2022. It was during the calculation of this overpayment that it was discovered that Ms. Chu's benefit should have stopped in 2022.

The calculation of her SSA benefit from June 2022 through October 2022 resulted in an overpayment of SERS benefits. Ms. Chu is aware of this overpayment and is willing to pay this amount to SERS with her backpay check from SSA.

Ms. Chu was mistakenly paid SERS benefits from November 1, 2022, through May 2025 resulting in an overpayment of benefits.

Ms. Chu is appealing this overpayment of her disability benefits. She disagrees that she ever failed to cooperate with SERS. She did cooperate with Midwest and agreed to repay this overpayment. She disagrees with paying the overpayment of SERS benefits as this was not her fault. She states she has no way to pay this amount back to SERS. Ms. Chu is requesting a written appeal. She would like SERS to receive her repayment of $11,085.00 for the SSA overpayment and would like the overpayment of benefits waived.

After discussing the facts presented, Chairperson Becker moved to approve the acceptance of $11,085.00 for Ms. Chu's SSA overpayment and deny to waive the overpayment of benefits. The motion was seconded by Executive Secretary Blair and passed unanimously.

Teresa Gibbs – Appeal Denial of Disability Benefits

Teresa Gibbs works for the Illinois Department of Corrections as a Human Resource Representative. She last worked on April 25, 2025.

Ms. Gibbs contends she has multiple disabling conditions and that her insurance will not cover part of the necessary treatment. Ms. Gibbs' file was sent to MMRO medical consultants to determine if she is mentally or physically incapacitated from performing her job duties. MMRO denied her claim, stating medical evidence was insufficient to determine disability.

Ms. Gibbs sent in additional medical evidence, and her file was returned to MMRO for review. The review of the additional evidence resulted in the same determination, that the records lacked the objective evidence to support disabling conditions.

Ms. Gibbs is requesting a written appeal, asking for her claim to be approved.

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

Michael Otto – Appeal to Calculate SERS Proportional Payment Utilizing Uncapped JRS Earnings Credits

Michael Otto contributed to SERS from February 1, 1996 through March 31, 2007. He entered service as a Tier 2 participant under the Judges' Retirement System (JRS) on February 15, 2012. Despite his Tier 1 status in SERS, Judge Otto was coded as a Tier 2 member of JRS because the various statutory provisions related to the JRS Tier 2 plan, which include Sections 18-124, 18-125, 18-125.1, 18-127, and 18-128.01, state that following:

> "Notwithstanding any other provision of this Article, for a participant who first serves as a judge on or after January l, 2011 (the effective date of Public Act 96-889)"

The Tier 2 retirement plan applicable to the reciprocal retirement systems was created by Public Act 96-889 and Public Act 96-1490, and individuals who earned service credits before January 1, 2011, under most reciprocal retirement systems are exempt from the Tier 2 plan provisions for service that first began in another reciprocal retirement system on or after January 1, 2011. This exemption was not applied to individuals who begin service in JRS or the General Assembly Retirement System (GARS) on or after January 1, 2011, nor to Tier 1 members of JRS or GARS who begin service in another reciprocal system on or after January 1, 2011.

Judge Otto is appealing for his future SERS pension calculation to utilize his earnings which exceed the Tier 2 earnings limitation applicable to Tier 2 judges.

SERS staff emphasize that 40 ILCS 5/20-106-(b) provides that:

> "Earnings credits under all participating systems shall be considered by each system in determining final average salary. In calculating a proportional retirement or survivor's annuity based on these earnings credits, the participating system shall apply any limitations on earnings for annuity purposes that are imposed by the Article governing the system."

The Cook County Circuit Court's ruling on Patricia Kievlan and Natosha Toiler's complaint agreed with JRS' administrative decision.

After discussing the information provided, Chairperson Becker moved to deny Judge Otto's appeal. The motion was seconded by Vice-Chairperson Black and passed unanimously.

<u>Lawrence Winfield II – Request Reappeal for Reduction in Overpayment of Disability Benefits</u>

Lawrence Winfield II worked for the Department of Corrections as a Senior Parole Agent. He went on a medical leave of absence on February 19, 2022 after suffering a work-related injury.

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

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

Mr. Winfield's initial appeal was denied on February 13, 2025, and he requested a reappeal. After reviewing the information presented, no member moved to grant Mr. Winfield a reappeal of his case.

<u>Krista Austin – Request Reappeal to Waive Overpayment of Nonoccupational Disability Benefits – Gainful Employment</u>

Ms. Austin works for the Illinois Department of Revenue. She went on nonoccupational disability leave in August 2024 and was paid through March 18, 2025. She returned to work March 29, 2025.

An IDES report showed that Ms. Austin exceeded the quarterly earnings limitation in the 4th quarter of 2024. According to this report, she was working for Truline Logistics and earned $5,265.50 over the quarterly earnings limit for this quarter. An overpayment was set up for this amount and Ms. Austin was sent a letter and an Earnings Agreement to sign and return.

Ms. Austin is appealing the overpayment. She states she has never worked for this company, which appears to be a staffing agency. She did indicate on her certification form that she had been earning some money while on disability. She submitted her paystubs for the 4th quarter of 2024.

Ms. Austin states she is being paid by Acess Financial Management Services and the money comes into a bank account through her husband, Eric Austin. She states this money is sent to her because her disabled aunt lives with her, and she is her caretaker. She states she does very little to assist her aunt, and the payments are more like "boarding costs'. Ms. Austin says she makes sure her aunt takes her medications, assists with cooking and doing dishes, making sure she is dressed properly. She states she is just assisting her family member with daily activities. She does not feel this is a gainful activity and that she should not have any overpayment with SERS as she is not actively working another job.

After reviewing her check stubs for the 4th quarter of 2024, it was determined that she earned $2,742.00 over the quarterly limit. She also provided her bank account statements, which show that she has never received any pay from Truline Logistics.

Ms. Austin's original appeal was heard at the Committee's June 2025 meeting, where it was denied with staff direction to lower her overpayment to only include earnings from Acess Financial Management. Ms. Austin is requesting a reappeal of the lower amount owed due to hardships.

Following a review of the facts presented and some discussion, no member moved to grant Ms. Austin a reappeal of her case.

There being no further business to be brought before the Committee, the meeting was adjourned at 10:11 a.m.

The next meeting of the Executive Committee is scheduled for October 15, 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