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

February 5, 2026

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, February 5, 2026, 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
Jessica Blood, Recording Secretary
Aaron Evans, Attorney, Sorling Northrup

<u>Minutes of the Previous Meeting</u>

Chairperson Becker presented the minutes of the Executive Committee's meeting on January 8, 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 Vice-Chairperson Black and passed unanimously.

<u>Routine Claims Report</u>

The Routine Claims Report for January 2026 was presented. Following a brief discussion, the Routine Claims Report for January 2026, as prepared by staff, was received by the Committee.

<u>Old Business</u>

<u>James Hernandez – Appeal Overpayment of Occupational Disability Benefits – Springfield – Recommendation</u>

James Hernandez was on occupational disability benefits from September 1, 1998 until October 31, 2022. Mr. Hernandez worked as a Youth Supervisor II and Correctional Officer with IDOC. Mr. Hernandez and IDOC entered into a settlement agreement dated February 13, 2001 to settle his workers' compensation act claim. The settlement stipulated that Mr. Hernandez was permanently disabled from employment in his previous occupation as Youth Supervisor II or Correctional Officer and agreed not to seek reemployment in that capacity or any other capacity within IDOC.

Mr. Hernandez was required to submit disability certifications twice a year. None of the certifications to SERS reported he made more than the then-applicable quarterly amount. He consistently certified he did not exceed the earning through employment or self-employment.

In June 2022, Mr. Herandez applied for the position of Juvenile Justice Specialist Intern at IDJJ and was hired effective October 24, 2022. He included his work history as a driver for Uber/Lyft beginning in 2016 and that he still did it as needed. He indicated on his application that he did not have a disability and documentation from a physician stating that he would be able to perform the job requirements in the position without any restrictions, but that he was disabled as to his previous job as a ride share driver. His occupational benefits stopped at this time. As an aside, it was determined that Mr. Hernandez was ineligible to be hired by IDJJ due to his settlement agreement with IDOC. He applied for retirement effective May 1, 2023.

The Office of Executive Inspector General investigated Mr. Hernandez's work history and determined that he misrepresented his income on certification documents he submitted to SERS, which allowed him to collect disability benefits to which he was not entitled. The investigation found that Mr. Hernandez falsely certified his eligibility for disability benefits in each of his biannual disability certifications between 2019 and 2022.

Due to the determination that Mr. Hernandez was not eligible for disability benefits during that time caused an overpayment of benefits. It also caused an issue as to service credits which disrupted his retirement benefits as well. In total, from benefits and retirement overpayments, there is an arrearage of $253,445.96.

Mr. Hernandez requested a personal appeal of the overpayment, contending that he did not exceed the quarterly earnings limitation and therefore did not falsify the disability certifications, stating that his retirement date and service credits are correct.

Following Mr. Hernandez's presentation of his appeal at their January 2026 meeting, the Committee referred to external counsel for a recommendation.

Attorney Evans presented Recommendation No. 2026-2, to deny Mr. Hernandez's appeal. Following some discussion, Executive Secretary Blair moved to adopt Recommendation No. 2026-2. The motion was seconded by Chairperson Becker and passed unanimously.

New Business

DeWayne Elam – Appeal to Waive Reduction to Pension – Removal of Holiday and

Comp Payments from FAC Calculation – Formal Personal Hearing – Springfield – 9:00 a.m.

Jeff Houch, Associate Executive Secretary, informed the Committee that Mr. Elam requested to defer his appeal.

Terra Jenkins – Appeal Denial of Continued Nonoccupational Disability Benefits – Formal Hearing via Teleconference – 9:00 a.m.

Jeff Houch informed the Committee that Ms. Jenkins requested to defer her appeal.

Rusty Downs – Request to Reappeal Calculation of FAC

Rusty Downs received occupational disability benefits from July 1, 2006 through April 30, 2025. Mr. Downs' disability benefit met the maximum time allowed on April 30, 2025 because he turned age 65. Mr. Downs retired effective May 1, 2025, and his monthly "credited earnings" while on disability were used to calculate his final average compensation (FAC) component of his retirement annuity calculation. Such monthly credited earnings amount reflected his rate of compensation at the time of his leave is pursuant to 40 ILCS 5/14-127. Because he received disability benefits for approximately 19 years, his monthly FAC reflects that same rate.

Mr. Downs' initial appeal to include the contractual pay raises associated with his last position in lieu of the compensation that was credited to his account while on disability was unanimously denied by the Executive Committee at their October 15, 2025, meeting.

Mr. Downs submitted a request for reappeal on such decision along with additional material.

After reviewing the information presented, no member moved to grant Mr. Downs a reappeal.

Micah Jones – Request to Reappeal for Conversion to Occupational Disability Benefit and Continuation of Benefit

Micah Jones received temporary disability benefits from September 30, 2024 through December 31, 2025. His benefits were stopped because of the half-time cease rule, see 40 ILCS 5/14-123. l(b)(6). Mr. Jones is pursuing Workers' Compensation Act benefits, but he has not been awarded such benefits, so he is ineligible for occupational disability benefits at this time.

On November 13, 2025, Mr. Jones appealed to maintain his temporary disability benefits, which the Executive Committee denied on December 11, 2025.

Mr. Jones submitted a request for reappeal of such decision, along with additional material.

After discussing the facts of the case, no member moved to allow Mr. Jones a reappeal.

Melissa Baugher – Appeal Overpayment of Nonoccupational Disability Benefits

Melissa Baugher worked for the Illinois Secretary of State as a Public Service Representative. She last worked on October 4, 2022, and started drawing a SERS nonoccupational disability benefit on November 4, 2022.

Ms. Baugher exhausted her half time on September 30, 2025. In December 2025, SERS learned that she was approved for SSA disability benefits with an entitlement date of April 1, 2023. This caused an overpayment of SERS benefits from April 1, 2023 through September 30, 2025. SERS reduced this overpayment for attorney fees.

Ms. Baugher submitted a written appeal against the overpayment of benefits. She states she is financially struggling and her husband is also disabled. She is requesting that SERS waive the amount of her overpayment.

Following a review of the information presented, Executive Secretary Blair moved to deny Ms. Baugher's appeal and offer a 60-month repayment plan. The motion was seconded by Vice-Chairperson Black and passed unanimously.

Gabriela Lemus – Appeal Denial of Nonoccupational Disability Benefits

Gabriela Lemus works as a Human Service Case Worker for the Department of Human Services. She last worked on July 25, 2025 and began a leave of absence on August 15, 2025 due to various medical conditions.

The medical report was insufficient to determine disability so additional medical records were requested. Ms. Lemus provided additional records, and her case was sent to MMRO for a determination. The medical reviewer stated there was insufficient evidence to support that she was physically incapacitated from performing her job duties. They noted that there were no records or imaging from an orthopedic surgeon or physical therapy. Provider notes indicated her prognosis was good and recovery was also good, but slower than anticipated.

Ms. Lemus submitted additional records for her claim, and it was sent back to MMRO for an addendum. Additional medical records did not change their opinion.

Ms. Lemus returned to work on November 17, 2025. She requested a written appeal against the denial of nonoccupational disability benefits and would like to be approved for the time she was off.

After reviewing the case and some discussion, Executive Secretary Blair moved to deny Ms. Lemus' 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 for the Illinois Secretary of State. She last worked on November 3, 2025. She was involved in a car accident, which was not work related.

Ms. Jackson applied for a nonoccupational disability benefit due to injuries sustained in the accident. Her file was sent to MMRO for review. They found that her impairments were not severe enough to prevent her from performing her job duties.

Ms. Jackson submitted a written appeal against the denial of nonoccupational disability benefits. She states she would like to be paid benefits from November 7, 2025 through February 4, 2026. She reports having significant pain and other related conditions. She provided a letter in support of her need to be off work from her provider.

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

Judith Green-Tovrea – Appeal Reduction of Retirement Annuity

Judith Green-Tovrea began receiving her retirement annuity effective June 1, 2003. She utilized the "Early Retirement Incentive" (ERI) program and purchased 60 months of service credit post-retirement as authorized by 40 ILCS 5/14-108.3(c). That statutory provision permitted a retiree to purchase over a period not exceeding 24 months. The total cost to purchase the 60 months of service credit was $12,819.30, and the monthly installment amount was $525.36.

Shortly after her retirement, it was discovered that Ms. Green-Tovrea was due a refund of alternative formula contributions, which totaled $5,168.97. That amount was credited to the amount she owed for the ERI service purchase. The ERI service credit purchase was completed in 2004, 9 months earlier than it would have been without the alternative formula contribution refund credit, so her monthly annuity was increased by $525.36 effective September 1, 2004.

Effective June 1, 2005, SERS mistakenly increased her monthly benefit by $525.36, which aligned with the original ERI purchase payoff date and ignored the actual payoff date and associated benefit increase. Her benefit reflected that erroneous increase from June 1, 2005, through November 30, 2025. This error was corrected effective December 1, 2025, which decreased her monthly annuity. 40 ILCS 5/14-148.1 requires a benefit to be recalculated as soon as may be practicable after the mistake is discovered, and if the mistake was discovered more than 3 years after it was made, then the overpaid amounts shall not be recouped.

Ms. Green Tovrea is appealing the adjustment of her retirement annuity.

Following a discussion regarding the case, Executive Secretary Blair moved to deny Ms.

Green-Tovrea's appeal. The motion was seconded by Vice-Chairperson Black and passed unanimously.

Trina Diedrich – Appeal for Resumed Nonoccupational Disability Benefit to Reflect Updated Rate of Pay

Trina Diedrich works as an Integrated Recovery Supervisor/Administrator for the Department of Human Services. She went off work April 10, 2025 and began receiving a nonoccupational disability benefit on May 14, 2025.

At the time of her leave, Ms. Diedrich's monthly salary was higher than her final average compensation (FAC) calculation. She is a Tier 1 member, so her higher salary was used to calculate her 50% nonoccupational disability benefit.

Ms. Diedrich returned to work on October 1, 2025, so SERS stopped her benefit effective September 30, 2025. She later went back off work on November 20, 2024 for the same impairment as her prior period of disability.

Although the agency's Employer Statement (3900_D) noted that her salary rate was a higher rate than she was earning when she originally started receiving benefits in May 2025, SERS followed 40 ILCS 5/14-125, which states that, "In the case of a member whose benefit was resumed due to the same disability, the amount of the benefit shall be the same as that last paid before resumption of State employment". Because this was a resumption of benefits, the 30-day waiting period was waived.

Ms. Diedrich was last paid by her agency on November 26, 2025, so SERS resumed her benefit November 27, 2025 at the same monthly rate she had previous received.

Ms. Diedrich requested a written appeal against the calculation of her benefits.

Following a review and some discussion, Executive Secretary Blair moved to deny Ms. Diedrich's appeal. The motion was seconded by Chairperson Becker and passed unanimously.

Susana Cabezudo – Request to Reappeal Suspension of Nonoccupational Disability Benefits – Gainful Employment

Susana Cabezudo exceeded the quarterly earnings limitation during the third quarter of 2024, and the first two quarters of 2025, so her disability benefit was suspended effective October 1, 2025.

On January 8, 2026, Ms. Cabezudo appealed to maintain her nonoccupational disability benefits, which the Executive Committee unanimously denied.

Ms. Cabezudo submitted a request for reappeal of such decision, along with additional material.

After determining that Ms. Cabezudo did not submit sufficient documentation to support her case, no member moved to allow a reappeal.

Add-on: Rosalinda Tejeda – Appeal Denial of Nonoccupational Disability Benefits

Rosalind Tejeda works as a Caseworker for the Illinois Department of Human Services. She last worked November 7, 2024, and began a medical leave of absence on November 10, 2024. She alleges disability due to multiple medical conditions.

Ms. Tejeda's file was sent to MMRO for determination. The reviewer found the evidence did not support her physical incapacity to perform her job duties. The reviewer notes no significant abnormalities to support functional impairment. They also note no emergent care for her stated conditions, no aggressive preventative or abortive medications and no referrals to an appropriate clinic for care of her conditions.

Ms. Tejeda requested a written appeal against the denial of nonoccupational disability benefits. She has provided a letter from her treating nurse practitioner supporting her claim for benefits.

Following a review of the facts of the case, Executive Secretary Blair moved to deny Ms. Tejeda'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 9:46 a.m.

The next meeting of the Executive Committee is scheduled for March 19, 2026, 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