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

June 11, 2026

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, June 11, 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
Jacob Schlosser, General Counsel
Cory Mitchelle, Claims Division Manager
Jessica Blood, Recording Secretary
Aaron Evans, Attorney, Sorling Northrup

Others Present via Teleconference:

Rosalinda Tejeda, Claimant
Lori Rees, Claimant

Minutes of the Previous Meeting

Chairperson Becker presented the minutes of the Executive Committee's meeting on May 21, 2026, 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 May 2026 was presented. Following a brief discussion, the Routine Claims Report for May 2026, as prepared by staff, was received by the Committee.

Old Business

Wendell Holder - Appeal to Reverse COLA Buyout and Receive Occupational Disability Benefits - Recommendation

Wendell Holder worked for the Illinois Department of Transportation as a Highway Maintainer. He went on an occupational disability benefit from June 2022 through July 7, 2024. He returned to work July 3, 2024.

Mr. Holder went back off work in October 2024. He states he filed for disability in the Carbondale office, but it wasn't submitted to SERS as disability, but as a regular retirement. He says he tried to change it, but he was told he couldn't. He stated he completed paperwork with his agency's staff in Carbondale and was told his disability benefits would start in December. He indicated that his first check was a retirement annuity payment, not a disability annuity payment.

Mr. Holder questions why he would ask for retirement at $1,300 a month, when he could get $6,600 in disability benefits. He states he took all his paperwork to the Carbondale office and they mishandled it. He has submitted medical records including a functional capacity evaluation to show he is disabled from performing his job as a Highway Maintainer, and he was awarded a Workers' Compensation settlement on October 28, 2025, which was tied to the injury he incurred on October 25, 2023.

Mr. Holder submitted a retirement application with a retirement date of November 1, 2024. This form was dated November 7, 2024. He also checked, signed and submitted an election for the COLA buyout, dated December 6, 2024. He provided information for his financial institution for the deposit of his rollover funds, and a Request for Direct Rollover to a Traditional IRA form was signed and completed on December 6, 2024. Mr. Holder received an alternative formula contribution refund on February 21, 2025.

Mr. Holder requested a personal appeal to receive disability benefits in lieu of the retirement benefits and COLA buyout that he received. After hearing Mr. Holder present his case at their May 2026 meeting, the Committee referred to external counsel for a recommendation.

Attorney Evans presented Recommendation No. 2026-6, to deny Mr. Holder's appeal. Chairperson Becker moved to adopt Recommendation No. 2026-6. The motion was seconded by Executive Secretary Blair and passed unanimously.

<u>Lori Rees - Appeal of FAC Calculation - Recommendation</u>

Lori Rees received disability benefits from August 1, 2019, through June 26, 2025, and returned to her Alternative Formula covered position with the Illinois Department of Corrections on June 27, 2025. She retired effective August 1, 2025. A Tier 1 Alternative Formula member's monthly rate of compensation may be used as the "Final Average Compensation" (FAC) component of the pension calculation if it is higher than their 48-month average compensation. However, that rate may not exceed 115% of the average of their final 24 months of compensation, see 40 ILCS 5/14-103.12(c).

Ms. Rees was erroneously advised by a field services counselor that her retirement annuity would be based on her last monthly rate of compensation, and that the 115%

cap would not apply to her because she missed raises while on leave. This gave Rees an inflated FAC, which she says is the only reason she retired.

Her last monthly rate of compensation before she incurred her disabling condition totaled $7,729.00 and was used as her "credited compensation" for the months in which she received disability benefits, see 40 ILCS 5/14-125. Her final monthly rate of compensation which was in effect for July 2025 totaled $9,974.00. However, after that amount was limited by the 115% cap, her monthly rate of compensation used for the FAC totaled $8,988.81.

Although she was given incorrect information, a retirement system cannot provide equitable relief to members who detrimentally relied on incorrect information provided by a retirement system because the systems do not possess the statutory authority to do so. *Desai v. State Universities Retirement System*, 2014 IL App (4th) 130825-U.

Ms. Rees is appealing the determination of her FAC, stating that her salary should not be affected by a cap due to her being out on disability prior to retirement, and that her FAC be her last day's rate of pay plus longevity. Additionally, she is appealing to purchase the 0.5 months of service credit associated with the start of her most recent leave of absence. Finally, she challenged the method in which her June 2025 earnings were determined.

Ms. Rees presented her appeal to the Committee at their May 2026 meeting. The oral proceedings were recorded by stenographer Susan Sycta, and the transcripts shall be provided to Ms. Rees and the Executive Committee. After discussing the information presented in Ms. Rees's appeal, the Committee decided to refer to external counsel for a recommendation.

Attorney Evans presented Recommendation No. 2026-7, to deny Ms. Rees' appeal. Executive Secretary Blair moved to adopt Recommendation No. 2026-7. The motion was seconded by Vice-Chairperson Black and passed unanimously.

<u>Paulletta Tucker - Appeal Disability Benefit Overpayment Recoupment Amount - Deferred</u>

Paulletta Tucker began receiving temporary disability benefits effective February 4, 2025. Her starting monthly gross payment totaled $1,999.00. Ms. Tucker began receiving Social Security Disability (SSDI) benefits effective July 2019. The amount of her monthly SSDI was offset because she had received Workers' Compensation benefits during that same period. The Social Security Administration confirmed that her monthly gross SSDI payment as of February 4, 2025, totaled $2,109.00.

Because her monthly SSDI payment of$2,109.00 exceeded her monthly SERS temporary disability benefit payment of $1,999.00, her SERS monthly amount was completely offset, see 40 ILCS 5/14-123.l(c). Therefore, the $25,772.82 she received from February 4, 2025, through February 28, 2026, was overpaid and must be recouped.

Ms. Tucker appealed for the overpayment arrearage to be reduced. Following some discussion on the information provided at their May 2026 meeting, the Committee decided to defer a decision pending further research into Ms. Tucker's overpayment amount.

Jeff Houch informed the Committee that Ms. Tucker's overpayment had been calculated correctly. After some discussion regarding the information presented, Executive Secretary Blair moved to deny Ms. Tucker's appeal to reduce her overpayment and offer a 60-month repayment plan. The motion was seconded by Chairperson Becker and passed unanimously.

New Business

Rosalinda Tejeda – Appeal Effective Date of Nonoccupational Disability Benefits – Personal Hearing via Teleconference – 9:00 a.m.

Rosalinda Tejeda works for the Illinois Department of Human Services as a Human Services Caseworker. She applied for disability due to multiple medical conditions. She was admitted to the hospital from October 29, 2025 to November 1, 2025, but no cause could be found for her symptoms. She was discharged with home health and physical therapy with an expected return to work date in January 2026.

Ms. Tejeda's file was sent to MMRO which found that she was not disabled from her aforementioned conditions but was disabled as of January 30, 2026. Ms. Tejeda submitted more medical documentation, but the decision remained the same.

When processing Ms. Tejeda's first payment, SERS applied a 30-day waiting period from January 30, 2026, the date she was found to be disabled. Ms. Tejeda is appealing the effective date of her disability benefits. She feels that she is due disability benefits for the month of February, as she has been off work since October 29, 2025 and feels she has already served her 30-day waiting period.

Ms. Tejeda included copies of the SERS nonoccupational disability fact sheet and the checklist from the nonoccupational packet. The fact sheet simply says, "Benefits start to accrue 31 days after your absence from work, or the day after you were last paid, whichever occurs last." The checklist says, "You must complete a 30-day waiting period beginning on your last day worked (sick time and vacation time can be used to fulfill this requirement)." Ms. Tejeda is requesting a personal appeal via teleconference.

After hearing Ms. Tejeda present her appeal, the Committee decided to defer a decision pending the receipt of additional medical documentation from Ms. Tejeda.

Lisa Linder – Appeal for Reinstatement of Occupational Disability Benefits – Personal Hearing – Springfield – 9:45 a.m.

Jeff Houch informed the Committee that Ms. Linder had requested to defer her appeal, and no action was necessary at this time.

Karen Sherman – Request to Reappeal Denial of Nonoccupational Disability Benefits

Karen Sherman has worked as an office assistant for the Department of Financial and Professional Regulation (DFPR) since April 1, 2026. Prior to that, she worked for the Illinois Department of Human Services as a Security Therapy Aide IV. She applied for nonoccupational disability benefits due to medical conditions caused by environmental stressors in her workplace.

On December 11, 2025, the Executive Committee denied her appeal to receive nonoccupational disability benefits. That decision aligned with the MMRO physician's recommendation, in which they opined that the evidence did not prove that Ms. Sherman was incapacitated from performing her job duties.

Ms. Sherman has supplied "new information" and is requesting a reappeal seeking disability benefits from September 1, 2025, through March 31, 2026. Staff has determined that this information neither changes their initial determination nor warrants additional review by the 3rd party physician.

After determining that Ms. Sherman did not provide adequate documentation to substantiate her claim, no member moved to grant a reappeal.

Ellen Dunbar – Appeal to Receive Survivor's Contribution Refund

Ellen Dunbar retired effective April 1, 2026. On her retirement application she indicated that she was divorced and that the name of her spouse was "deceased". In addition, she 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 therefor 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. Dunbar contributed $8,599.81 towards survivor's benefits and is appealing to receive such refund after retirement.

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

Judi Ackman – Appeal of FAC Recalculation

Judi Ackman retired effective May 1, 2024. Prior to her retirement, she was employed as a DHS "security employee" and participated in the Alternative Formula plan. A Tier 1 Alternative Formula member's monthly rate of compensation may be used as the "Final Average Compensation" (FAC) component of the pension calculation if it is higher than their 48-month average compensation.

Prior to her initial retirement, DHS certified that Ms. Ackman's final monthly rate of compensation totaled $6,756.00, and that amount was used as the FAC component of her benefit calculation. In April of 2026, DHS notified SERS that her true final monthly compensation rate totaled $6,683.00. SERS recalculated her benefit accordingly, decreasing her base monthly amount by $37.59, which created an overpayment of $880.36. Because this error was discovered within 3 years, SERS is obligated to recoup that overpayment, see 40 ILCS 5/14-148.1.

Ms. Ackman is appealing the recalculation of her FAC based on the new information provided by DHS.

After reviewing Ms. Ackman's appeal and some discussion, the Committee decided to defer a decision pending further research into her case.

<u>Lori Bertran – Appeal Denial of Nonoccupational Disability Benefits</u>

Lori Bertran works as a Public Service Administrator - Clinical Nurse Manager for the Illinois Department of Human Services. She last worked December 4, 2025, alleging disability due to various medical conditions.

Ms. Bertran's file was sent to MMRO for determination. The reviewer found the evidence was insufficient to support that she is mentally or physically incapacitated from performing her job duties. The reviewer noted numerous subjective complaints without associated evidence of objective abnormalities. Her mental status exams were normal and no attempts at treatment aside from monthly counseling were documented. She has no documented impairments, and no psychiatric evaluations have been performed.

Ms. Bertran is appealing against the denial of nonoccupational disability benefits. She states she has no other medical documentation to submit, other than the notes her therapist takes, and she doesn't feel comfortable having people read what she speaks with her therapist about.

Ms. Bertran is requesting a written appeal.

After reviewing the facts of the case and some discussion, Executive Secretary Blair moved to deny Ms. Bertran's appeal. The motion was seconded by Chairperson Becker and passed unanimously.

<u>Chad Carson – Appeal Termination of Disability Benefits and Overpayment of Benefits – Gainful Employment</u>

Chad Carson works for the Illinois Department of Transportation as a Highway Maintainer. He last worked on March 24, 2025 and began a medical leave of absence due to multiple medical conditions. SERS' medical consultants at MMRO found him disabled.

SERS received information that Mr. Carson was gainfully employed as the owner of Southpaw Entertainment, LLC. It was determined that his W-2 earnings coupled with the net gaming revenue received by Southpaw Entertainment since May 2025 caused him to exceed the gainful employment limitations. Therefore, all benefits paid between April 1, 2025 and March 31, 2026 were overpaid. That resulted in an overpayment of $41,568.00.

Mr. Carson is appealing the overpayment determination and termination of his benefits. He states the business opened in March 2025. He has not completed taxes yet and has an extension for both his personal taxes and the business taxes. He has submitted a copy of the profit and loss statement for Southpaw for 2025, which he states shows a loss for the year.

Mr. Carson is requesting a written appeal. He is asking for his disability benefits to be reinstated and his records updated to correctly reflect that he did not receive an overpayment of benefits and that his income did not exceed the income allowed while receiving disability payments.

Following a review of the facts presented and some discussion, Executive Secretary Blair moved to deny Mr. Carson's appeal. The motion was seconded by Vice-Chairperson Black and passed unanimously.

There being no further business to be brought before the Committee, the meeting was adjourned at 10:25 a.m.

The next meeting of the Executive Committee is scheduled for July 9, 2026, in the System's Springfield office.

Marvin Becker, Chairperson

Arnold Black, Vice-Chairperson

Timothy Blair, Executive Secretary