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

May 21, 2026

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, May 21, 2026, at 8:45 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee Members Present:

Marvin Becker, Chairperson
Timothy Blair, Executive Secretary

Committee Members Present via Teleconference:

Arnold Black, Vice-Chairperson

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
Wendell Holder, Claimant
Lori Rees, Claimant
William Rees, Claimant's Associate

Others Present via Teleconference:

Susan Sycta, Stenographer

Motion to Allow Remote Participation

Executive Secretary Blair moved to allow Vice-Chairperson Black to participate in the meeting remotely and the motion was seconded by Chairperson Becker.

Minutes of the Previous Meeting

Chairperson Becker presented the minutes of the Executive Committee's meeting on April 16, 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 April 2026 was presented. Following a brief discussion, the Routine Claims Report for April 2026, as prepared by staff, was received by the Committee.

Old Business

Brittany Beal – Appeal Retroactive SSA Award Overpayment – Recommendation

Brittany Beal works for the Illinois Department of Healthcare and Family Services as a Child Support Specialist. She was on SERS' nonoccupational disability benefits from January 28, 2023, through July 7, 2024. She returned to work on July 8, 2024.

Ms. Beal was referred to Midwest Disability and accepted by them in April 2024. SERS was notified that her SSA claim was approved and received her notice of award on March 16, 2026. Ms. Beal received $2,026.77 per month from SERS. Her SSA disability entitlement began on August 1, 2023, and she received an initial entitlement amount of $1,676.00 per month.

SERS set up an overpayment of benefits from August 1, 2023, through July 7, 2024. This is a total of 11 months and 7 days in which benefits were overpaid. Her overpayment equals $18,814.45.

Ms. Beal is appealing against her overpayment of $18,814.45. She states she was unaware that she would have to pay back anything to SERS. She states even a payment plan would cause hardship for her. She states she would like SERS to reconsider the decision to collect on previously paid disability benefits and has requested a personal appeal in the Springfield office.

After hearing Ms. Beal present her appeal at their April 2026 meeting, the Committee referred to external counsel for a recommendation.

Attorney Evans presented Recommendation No. 2026-4, to deny Ms. Beal's appeal. Executive Secretary Blair moved to adopt Recommendation No. 2026-4. The motion was seconded by Chairperson Becker and passed unanimously.

Ann Patton – Appeal Retroactive SSA Award Overpayment – Recommendation

Ann Patton worked for the Department of Children and Family Services (DCFS) as a Child Protection Investigator. She has been on SERS' nonoccupational disability benefits since February 3, 2023.

Ms. Patton's Social Security Disability benefit (SSDI) claim was accepted by Midwest Disability in May 2024. In January of 2026, SERS received notice that her SSDI claim was approved in December 2025.

Ms. Patton's gross monthly SERS disability benefit totaled $3,755.30. Her SSDI benefit entitlement date began on July 1, 2023, and she received an initial entitlement amount of $2,800.00 per month. The amount of her award totaled $80,314.00, and represented back pay from July 1, 2023, through October 31, 2025. Her SERS nonoccupational disability benefit was first offset with her January 2026 payment. Her monthly nonoccupational disability benefit after the offset totals $955.30.

SERS set up an overpayment of benefits from July 1, 2023, through December 31, 2025. This is a total of 30 months in which benefits were overpaid. Her overpayment was calculated as:

$2,800 X 30 = $84,000.00.

Ms. Patton is appealing against the decision to repay $84,000. She states she only received back pay from SSA in the amount of $80,314 and some of that money has already been spent. She states even a payment plan would cause hardship for her. She states she doesn't want to have to pay the full $84,000 back.

Ms. Patton requested a personal appeal via teleconference. After hearing Ms. Patton present her appeal at their April 2026 meeting, the Committee referred to external counsel for a recommendation.

Attorney Evans presented Recommendation No. 2026-5, to deny Ms. Patton's appeal. Executive Secretary Blair moved to adopt Recommendation No. 2026-5. The motion was seconded by Chairperson Becker and passed unanimously.

Karly Sims – Appeal Disability Benefit Conversion Overpayment - Deferred

Karly Sims went on a non-service-connected leave of absence in July 2023 and was paid a nonoccupational disability benefit from August 24, 2023 through October 17, 2024. On her application she alleged bereavement due to the sudden death of her son. She provided medical records that showed treatment for bereavement related illness and her doctor's recommendation to keep her off work.

SERS recently received a Workers' Compensation settlement with the date of injury as April 2023, but not going off work until July 2023. At the time, SERS did not pay Ms. Sims any TTD benefits. Medical records on file show that she underwent an unrelated procedure in August 2023. In December 2023 she had an additional procedure unrelated to her bereavement. She then had an additional unrelated procedure in May 2024. She had a release to return to work from her physical impairments in October 2024, and that is when she returned to work.

SERS contends that although she was suffering from bereavement due to the loss of her son, she was also treated for her workers' compensation injuries. The dates of her leave from work coincide with her first procedure date and her release by her doctor for the physical impairments is when she returned to work. Therefore, it is the staff's opinion that Ms. Sims was unable to work due to her procedures and recovery. This is supported by the fact that she received a Workers' Compensation settlement for the injuries she was treated for during her time off work.

The conversion of her nonoccupational disability benefit to an occupational disability benefit resulted in an overpayment of benefits. Ms. Sims is requesting a written appeal against this overpayment. She is asking that the overpayment be waived; or a substantial reduction in the amount owed and/or a reasonable repayment arrangement based on her financial situation.

Following some discussion regarding the information presented at their April 2026 meeting, the Committee deferred a decision pending additional research.

After reviewing new documentation provided by Ms. Sims and some discussion, Executive Secretary Blair moved to deny the appeal to waive her overpayment and provide her with a 60-month repayment plan. The motion was seconded by Chairperson Becker and passed unanimously.

New Business

Wendell Holder - Appeal to Reverse COLA Buyout and Receive Occupational Disability Benefits - Personal Hearing - Springfield - 9:00 a.m.

Wendell Holder worked for the Illinois Department of Transportation as a Highway Maintainer. He went on an occupational disability benefit in 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 is requesting 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 and some discussion, the Committee referred to external counsel for a recommendation.

Estate of Yvohnne Hankins - Appeal to Waive Remaining Portion of Overpaid Retirement Annuity Payment - Personal Hearing via Teleconference - 9:45 a.m.

Yvohnne Hankins was a retired annuitant who passed away on January 14, 2026. Her estate was eligible to receive the payment for January 2026, but the System mistakenly issued payments through February 28, 2026, which created an overpayment of $1,785.48. The System notified the bank of the overpaid funds, but the bank only returned $1,472.25 as there were insufficient funds to repay the overpayment in full.

SERS notified Ms. Hankins's estate about the overpayment and the estate's liability to SERS for such amount. Natasha Hankins, the estate representative, has requested a personal hearing appeal and is appealing for a waiver of the remaining $230.01.

Ms. Hankins failed to show for her personal appeal hearing and no action was taken by the Committee.

Paulletta Tucker - Appeal Disability Benefit Overpayment Recoupment Amount

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 is appealing for the overpayment arrearage to be reduced.

Following some discussion on the information provided, the Committee decided to defer a decision pending further research into Ms. Tucker's case.

Rebecca Gruen – Consideration of Benefit Reinstatement

Rebecca Gruen began receiving occupational disability benefits effective September 22, 2014, due to receipt of a workers' compensation award related to an injury to her cervical spine. Her benefit was suspended effective December 31, 2025, due to SERS' receipt of an anonymous complaint that she engaged in physical activities that contradicted her disability status and work restrictions.

An independent medical evaluation (IME) was performed on Ms. Gruen on April 12, 2026, and the physician concluded that she remained "incapacitated from performing all of the required duties of a Support Services Worker."

Given how this situation was initially reported to SERS, staff is requesting consideration by the Executive Committee regarding the potential reinstatement of her disability benefit.

After reviewing the documentation presented and some discussion, Chairperson Becker moved to allow the reinstatement of Ms. Gruen's disability benefits, if she undergoes an independent medical examination (IME) each January. The motion was seconded by Executive Secretary Blair and passed unanimously.

<u>Lori Rees - Appeal of FAC Calculation - Personal Hearing - Springfield - 10:00 a.m.</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.

Ms. Rees presented her appeal to the Committee. 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.

There being no further business to be brought before the Committee, the meeting was adjourned at 11:27 a.m.

The next meeting of the Executive Committee is scheduled for June 11, 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