

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

August 10, 2023

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, August 10, 2023, 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 Videoconference:

Tad Hawk, SERS Trustee

Others Present:

Jeff Houch, Associate Executive Secretary  
Eric Glaub, Manager, Claims Division  
Karen Brown, Supervisor, Disability Section  
Cory Mitchell, Supervisor, Pension Section  
Aaron Evans, Attorney, Sorling Northrup  
Jessica Blood, Recording Secretary  
Sandy Brown, Claimant  
Donnette Hudson, Claimant

Motion to Allow Remote Participation

Executive Secretary Blair moved to allow Trustee Hawk to participate in the meeting remotely. The motion was seconded by Chairperson Becker and Trustee Hawk was allowed to participate via videoconference.

Minutes of the Previous Meeting

The minutes of the Executive Committee's meeting on July 13, 2023, were presented by Chairperson Becker 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 Chairperson Becker and passed unanimously.



## Routine Claims Report

The Routine Claims Report for July 2023 was presented. Following a brief discussion, the Routine Claims Report for July 2023 as prepared by staff, was received by the Committee.

## Old Business

### Bette Ziegler – Revisit Decision to Approve Request for Retirement Annuity after Required Minimum Distribution

At the June 15, 2023, Executive Committee meeting, the Committee approved Ms. Ziegler's request to apply for a retirement annuity benefit despite previously meeting the conditions for a required minimum distribution (RMD) under Section 401(a)(9) of the Internal Revenue Code. A significant factor that led to this decision was that Ms. Ziegler's attorney stated that Ms. Ziegler never cashed the refund payment that was issued to her on April 14, 2021.

As staff was working with Ms. Ziegler's attorney regarding Ms. Ziegler's retirement application, it was discovered that Ms. Ziegler cashed the net portion of her refund on May 3, 2021. Given this discovery, coupled with the IRS RMD provisions and refund provisions of Section 14-130(b), it is recommended that this decision be revisited.

After discussing the facts presented, Executive Secretary Blair moved to rescind the Committee's prior approval due to the discovery of this new information, and to deny Ms. Ziegler's appeal. Chairperson Becker seconded the motion and it passed unanimously.

## New Business

### Sandy Brown – Appeal of Temporary Disability Benefit Claim Denial – Personal Hearing via Teleconference – 9:00 a.m.

Sandy Brown works as a Police Sergeant/Investigator. She last worked on April 26, 2021. According to the notice of injury, she was a passenger in a vehicle involved in a traffic accident. Ms. Brown received an occupational disability benefit until February 28, 2022. Workers' Compensation subsequently found Ms. Brown to be medically capable of returning to work without restrictions.

Ms. Brown applied for SERS' temporary benefit when her TTD benefits were terminated. Her file was sent to SERS' medical consultants for review, and they found her impairments did not render her incapacitated from performing her job duties. Ms. Brown called SERS about appealing her claim. She was given directions on how to file an appeal to the Executive Committee. This appeal was not received within 30 days of her denial.

Ms. Brown has now sent in a formal appeal letter along with some additional medical



evidence. She indicates in her email that she had good cause for not sending the appeal sooner. She is requesting that her application for temporary disability benefits be approved.

After hearing Ms. Brown present her case, the Committee decided to defer a decision pending review of her additional medical documentation by MMRO.

Donette Hudson – Appeal of Nonoccupational Disability Benefit Overpayment –  
Personal Hearing via Teleconference – 9:45 a.m.

Donnette Hudson was on a SERS nonoccupational disability benefit beginning in July 2022. In May 2023, SERS learned from IDES that Ms. Hudson had exceeded the \$3,660 quarterly earnings limitation (ELQ) by \$653.44 in the first quarter of 2023.

On May 10<sup>th</sup> the Disability Section sent Ms. Hudson a letter informing her of the overpayment and a copy of the Earnings Limitation Agreement she was to sign and return within 30 days. This letter indicated she would soon be receiving a billing letter with instruction on how to remit her payment. On May 17<sup>th</sup>, Benefit Support sent Ms. Hudson the billing letter along with a copy of the May 10<sup>th</sup> Disability letter.

Ms. Hudson did not pay the \$653.44 overpayment, nor did she return a signed Earnings Limit Agreement within the 30 days. Therefore, her benefit was terminated effective March 31, 2023, the end of the quarter in which she exceeded the earnings limitation. In addition to her \$653.44 overpayment, Ms. Hudson is now responsible for paying back all disability benefits paid after March 31, 2023.

On July 17<sup>th</sup>, the Disability Section sent Ms. Hudson a letter stating that her failure to pay her ELQ overpayment and return a signed agreement resulted in the termination of her benefit March 31<sup>st</sup> and the additional overpayment of all benefits paid in April, May, and June.

On July 18<sup>th</sup>, Benefit Support sent a billing letter to Ms. Hudson along with a copy of July 17<sup>th</sup> Disability letter. Also included with her correspondence were letters meant for another member, Vera Jackson. The billing letter for Ms. Jackson was mistakenly addressed to Ms. Hudson. She received two billing letters addressed to her with two different amounts.

Ms. Hudson is appealing her debt. She states she never received the May letters, or she would have paid the original debt and submitted her Earnings Limit Agreement form. Ms. Hudson returned to work June 1<sup>st</sup> and is an active employee.

After discussing the facts of the case, Executive Secretary Blair moved to forgive Ms. Hudson's additional overpayment on the condition that she repay the initial overpayment of \$653.44 plus any June 2023 disability benefit overpayment and returns a signed the Earnings Limit Agreement. The motion was seconded by Trustee Hawk and passed unanimously.



## Sheila Patterson – Appeal of Temporary Disability Benefit Conversion Overpayment

Sheila Patterson worked as a Support Service Worker at Madden Mental Health Center. She last worked on October 24, 2019, when she was injured in the course of her job duties. Ms. Patterson received Extended Benefits through October 25, 2020. She received TTD and a SERS occupational disability benefit from October 26, 2020, through September 22, 2021. Workers' Compensation (WC) terminated her TTD benefits for lack of current medical information.

Ms. Patterson applied for a SERS temporary benefit when her TTD benefits were terminated. She was approved and has been on this benefit since September 23, 2021. In 2022 she was required to apply for Social Security disability benefits. SSA found her disabled as of November 1, 2020. SERS was notified of this in April 2023.

An overpayment calculation was set up from September 23, 2021 through February 28, 2023. Due to an error, the offset did not get applied to her future checks. This created an additional overpayment from March 1, 2023, through May 31, 2023.

Ms. Patterson is appealing her overpayment. She states she cannot afford to pay this and that she had to use her SSA back pay for car repairs. She would like us to waive the decisions SERS has made and give her time to catch up on her bills.

Ms. Patterson's WC claim is still pending. There has been no action on her claim since 2021. There is an anticipated closure date of December 2023. Her benefits will end in September 2027, when she turns age 65. She is a Tier 1 employee who can retire at any time.

After reviewing the information presented and some discussion, Executive Secretary Blair moved to deny Ms. Patterson's request and offer a 60-month (5-year) repayment plan. The motion was seconded by Chairperson Becker and passed unanimously.

## Sharon Fred – Request Reappeal to Receive Disability Benefits after Retirement to Attain 20 Year of Service

Sharon Fred had a written appeal that was considered at the February 9, 2023 meeting of the Executive Committee. She appealed to receive disability benefits for a longer period since she retired on the date advised by SERS to attain 20 years of service, which was incorrect.

Ms. Fred's written appeal was denied, however the Executive Committee agreed to allow her to receive a disability benefit for the month of September 2022 since she did not resign from her agency until the end of that month. The decision became final at the meeting of the Board of Trustees on April 25, 2023.

Per correspondence received, Ms. Fred is requesting a reappeal of the denial to receive further disability benefits to get to 20 years of service.



After determining Ms. Fred did not submit sufficient additional documentation to support her claim, no member moved to allow her a reappeal of her case.

#### Christine Butler – Request for Reappeal of Temporary Disability Benefit Termination

Christine Butler was on a SERS occupational disability benefit from November 2020 through July 2022. Workers' Compensation (WC) terminated her TTD and her SERS occupational benefit stopped. She applied for a SERS temporary benefit and was paid this from July 2022 through March 31, 2023.

The medical evidence supplied for the January 2023 certification process was reviewed by MMRO medical consultants, who found her condition had improved and she was able to return to her prior state job.

Ms. Butler stated that, due to her medical condition, she was unable to wear an N95 mask or surgical mask at work and her agency would not accommodate her restrictions.

Ms. Butler appealed the termination of her temporary disability benefit with a written hearing at the May 11, 2023 Executive Committee meeting. The Executive Committee denied her appeal, and this was recently ratified by the Board of Trustees at their last meeting.

Ms. Butler is requesting a reappeal. Included with her request was an updated CMS 2 she signed upon her return to work on June 8, 2023. She also included updated documentation regarding her permanent work-related restrictions her physician completed for her employer.

She feels she is entitled to April and May benefits as her employer would not accommodate her until June 8, 2023, when she was directed by her WC attorney to return to work.

After determining that Ms. Butler did not submit additional documentation sufficient to support her claim, no member moved to grant her a reappeal.

#### Brenda Lee – Appeal to Waive Early Retirement Incentive Reductions

Brenda Lee retired under the Early Retirement Incentive (ERI) Buy and Quit Program. She elected this option in 2002 but remained on a nonoccupational disability benefit until 2007, and then chose to receive her retirement annuity.

Through a recent audit it was found that ERI deductions were not taken from Ms. Lee's retirement benefit. Ms. Lee has submitted an appeal to request the amount due be forgiven.

After discussing the facts presented and a brief discussion, Executive Secretary Blair moved to deny Ms. Lee's appeal. The motion was seconded by Chairperson Becker and passed unanimously.



## Rebecca Shuster – Request to Reinstate Pre-Tax Payroll Deduction after Refund

Rebecca Shuster is an employee who agreed to enter a pre-tax payroll deduction installment payment plan to repay the refund that she accepted in November 2009, along with her qualifying period, and a short period. The duration of that payment plan was 48 months and began on July 1, 2019. On September 16, 2021, Ms. Shuster changed agencies, but the agreement document was not provided to her payroll officer, and the payroll deductions stopped.

On June 6, 2023, Ms. Shuster was notified of this situation and provided options to continue reinstating her refunded service and contributions. On August 2, 2023, the amount previously repaid under the installment plan was refunded to Ms. Shuster. Ms. Shuster is appealing to have the amount previously repaid reinstated, and to finish the repayment plan.

After discussing the information presented in Ms. Shuster's appeal, Executive Secretary Blair moved to allow her to complete payment of her refund, including interest accrued from April through June, on the condition that Ms. Shuster completes the payment in full within 30 days. 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 11:03 a.m.

The next meeting of the Executive Committee is scheduled for September 14, 2023, in the System's Springfield office.

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Marvin Becker, Chairperson

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Tad Hawk, SERS Trustee

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Timothy Blair, Executive Secretary