

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

July 13, 2023

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, July 13, 2023, at 8:45 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee Members Present:

Marvin Becker, Chairperson
David Morris, Vice-Chairperson
Timothy Blair, Executive Secretary

Others Present:

Jeff Houch, Associate Executive Secretary
Eric Glaub, Manager, Claims Division
Aaron Evans, Attorney, Sorling Northrup
Jessica Blood, Recording Secretary

Minutes of the Previous Meeting

The minutes of the Executive Committee's meeting on June 15, 2023, were presented by Chairperson Becker 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 June 2023 was presented. Following a brief discussion, the Routine Claims Report for June 2023 as prepared by staff, was received by the Committee.

Old Business

Michelle Billhorn-Hartford – Appeal of Nonoccupational Disability Benefit Claim Denial – Recommendation

Michelle Billhorn-Hartford works as a Public Service Representative at Driver Services for the Secretary of State. She last worked 10/29/2021 and began a leave of absence on 11/2/2021 due to medical issues. She has applied for a SERS nonoccupational disability

benefit.

Ms. Billhorn-Hartford's case was reviewed by SERS' medical consultants and was denied for lack of medical evidence to support her inability to perform her job duties. She supplied additional medical records with her request for an appeal of her denial to the Executive Committee.

The additional medical records provided were submitted to the medical consultants, who were asked to re-review her claim. The claim was again denied.

Ms. Billhorn-Hartford is requesting a personal hearing in the Springfield office to appeal the denial of her disability claim.

Ms. Billhorn-Hartford presented her claim at their April 2023 meeting and informed the Committee that she had further medical documentation to provide to the Committee, though it was not with her at the time. After hearing Ms. Billhorn-Hartford's appeal, the Committee decided to defer a decision pending receipt of the additional medical documentation.

After discussing the additional medical documentation provided by Ms. Billhorn-Hartford, the Committee decided to defer a decision pending an additional medical opinion from MMRO. The MMRO recommended disapproval of Ms. Billhorn-Hartford's claim for the third time.

Following a discussion regarding the facts of the appeal at their June 2023 meeting, the Committee decided to refer Ms. Billhorn-Hartford's case to external counsel for a recommendation.

Attorney Evans presented Recommendation No. 2023-15, to deny Ms. Billhorn-Hartford's appeal. After some discussion, Executive Secretary Blair moved to adopt Recommendation No. 2023-15. The motion was seconded by Chairperson Becker and passed unanimously.

Tara Kulavic (POA) – Appeal of Nonoccupational Disability Benefit SSA Overpayment – Mbr: Martha Kohlrus – Recommendation

Martha Kohlrus was on SERS' nonoccupational disability benefit and was required to file for Social Security disability benefits. She was approved with an entitlement date of February 1, 2021. SERS then applied an offset of her nonoccupational disability benefit from February 1, 2021 through November 30, 2022. This offset created an overpayment of benefits.

Ms. Kohlrus is appealing the total amount of her overpayment, as she did not receive the full amount of the offset for these same months from Social Security. She did not receive her full back pay, as she had been receiving widow/survivor benefits under her deceased husband's account.

Ms. Kohlrus, through her daughter and POA Tara Kulavic, is appealing to have her overpayment reduced to the amount she received from SSA for her disability from February 1, 2021 through November 30, 2022.

Ms. Kohlrus's disability half time ceased, and she will begin receiving her pension. She has requested a personal hearing in Springfield. Ms. Kohlrus' appeal was deferred at the Committee's April 2023 meeting due to a scheduling conflict.

Tara Kulavic, POA, presented the appeal on behalf of Ms. Kohlrus at their May 2023 meeting. After reviewing the facts presented and some discussion, the Committee decided to defer a decision pending research into the possibility of a retroactive retirement for Ms. Kohlrus to February 2021. Eric Glaub informed the Committee that he would be in contact with Ms. Kulavic regarding estimates for the retroactive pension.

The retroactive pension estimate was provided to Ms. Kulavic in advance of the June 2023 meeting. After her review of the documents provided, she determined there was no interest in a retroactive pension option.

Following further discussion regarding Ms. Kohlrus' appeal at their June 2023 meeting, the Committee decided to refer to external counsel for a recommendation.

Attorney Evans presented Recommendation No. 2023-16, to deny Ms. Kulavic's appeal. After reviewing the facts pertinent to the case, Vice-Chairperson Morris moved to adopt Recommendation No. 2023-16. The motion was seconded by Executive Secretary Blair and passed unanimously.

Denise Rogers – Appeal of Nonoccupational Disability Claim Denial – Recommendation

Denise Rogers works as an Employment Security Services Representative for the Illinois Department of Employment Security. She applied for a nonoccupational disability benefit and has been off work since December 22, 2022.

Ms. Rogers' claim was submitted to MMRO for medical review. The review found the evidence was insufficient to find her incapacitated from performing her job duties and Ms. Rogers was sent a denial letter.

Ms. Rogers is appealing the denial of her disability claim. She submitted additional medical records. All newly submitted records that pertained to her current medical condition were sent back to MMRO for another review. An addendum to the original report upheld the denial of benefits.

After hearing Ms. Rogers present her appeal at their June 2023 meeting, the Committee decided to refer to external counsel for a recommendation.

Attorney Evans presented Recommendation No. 2023-17, to deny Ms. Rogers' appeal. After reviewing the case and some discussion, Chairperson Becker moved to adopt

Recommendation No. 2023-17. The motion was seconded by Executive Secretary Blair and passed unanimously.

Charles Davis – Request Reinstatement of Refund

Charles Davis is a Tier 1 alternative formula member as he was a security employee of the Department of Corrections (IDOC) until he terminated service on April 30, 2023. Mr. Davis applied to begin his retirement benefit effective May 1, 2023. Mr. Davis currently has 9 years and 10 months of service on file.

On June 23, 2014, SERS received a refund application from Mr. Davis. The refund reflected 179.5 months of service, which was earned between March 1, 1998 and February 15, 2013. It should also be mentioned that Mr. Davis was suspended on February 15, 2013. On June 24, 2014, an arbitrator ordered that Mr. Davis was entitled to reinstatement and backpay, and he was granted service and earnings credit retroactive to July 1, 2013.

Mr. Davis's refund was issued on August 6, 2014. He elected for his refund to be issued directly to him, minus taxes and funds involuntarily withheld by the Office of the Comptroller (IOC). The amount of the involuntary withholding was subsequently credited back to Mr. Davis directly. Mr. Davis never cashed his net refund check and on September 4, 2014, SERS received notice from Mr. Davis to revoke his initial election for refund. The refunded amount was credited to Mr. Davis's SERS account, and he is in the process of repaying the amount that was involuntarily withheld by the IOC, to SERS. Unfortunately, those SERS employees who were responsible for reclaiming the tax payment from the refund failed to act in a timely manner, and because of the oversight, SERS was unable to reclaim such payment from the IRS.

Mr. Davis is appealing for his 179.5 months of service credit to be reinstated without repaying the taxes that were issued to the IRS.

After discussing the facts of the case at their June 2023 meeting, the Committee decided to defer a decision pending communications with the IOC regarding potential tax implications of the request.

After further discussion regarding the tax implications of Mr. Davis's request, Executive Secretary Blair moved to approve the reinstatement of Mr. Davis's refund and service credit. Vice-Chairperson Morris seconded the motion. Chairperson Becker abstained and the motion passed with a majority vote.

New Business

Marisol Rosario – Appeal to Receive Survivor Contribution Refund after Retirement

Marisol Rosario retired February 1, 2022. She completed her application stating she was divorced with no dependents and did not want to receive the survivor contribution refund.

Ms. Rosario is appealing to receive the survivor contribution refund after retirement.

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

Add-on: Estate of Matthew Abrahamson – Request to Permit Estate to Elect COLA Buyout Option

Matthew Abrahamson terminated service on April 30, 2023, as he intended to retire effective May 1, 2023. Mr. Abrahamson had submitted his retirement application in mid-April, and on April 25, 2023, SERS issued confirmation that it had received his retirement application.

Mr. Abrahamson's agency was expedient in providing SERS with the necessary payroll certification, as SERS received the 3900 form on May 5, 2023, and the 1404 form on May 8, 2023. SERS issued the COLA buyout election form on May 18, 2023, which is the date Mr. Abrahamson passed away.

Mr. Abrahamson's estate attempted to elect such payment, but that election was denied because the election was made after the member's death, and therefore was not made by the member, see Section 14-147.6(a) of the Pension Code. Mr. Abrahamson's executor is appealing this denial.

After reviewing the facts presented and some discussion, Executive Secretary Blair moved to approve the appeal. Chairperson Becker seconded the motion, which passed unanimously.

There being no further business to be brought before the Committee, the meeting was adjourned at 9:37 a.m.

The next meeting of the Executive Committee is scheduled for August 10, 2023, in the System's Springfield office.

Marvin Becker, Chairperson

David Morris, Vice-Chairperson

Timothy Blair, Executive Secretary