

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

November 9, 2023

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, November 9, 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
Samantha Goetz, General Counsel
Eric Glaub, Manager, Claims Division
Karen Brown, Supervisor, Disability Section
Cory Mitchell, Supervisor, Pension Section
Aaron Evans, Attorney, Sorling Northrup
Jessica Blood, Recording Secretary
Whitney Lee, Claimant (via Teleconference)
Tijuanna Williams, Claimant
Shirley Ferrell, Claimant's Associate

Minutes of the Previous Meeting

The minutes of the Executive Committee's meeting on October 12, 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 Vice-Chairperson Morris and passed unanimously.

Routine Claims Report

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

Old Business

Randall Gold, Attorney – Appeal of Nonoccupational Disability Benefit Claim Denial – Mbr: Edna Metcalf – Recommendation

Edna Metcalf applied for nonoccupational disability benefits, but the medical evidence submitted with the application was insufficient to substantiate a disability. Ms. Metcalf's examiner attempted to call to inform her that SERS needed more information to process her claim but was unsuccessful in reaching Ms. Metcalf.

The examiner then sent Ms. Metcalf a letter and a copy of the required assessment form. She requested that Ms. Metcalf have her treating physician complete the assessment and submit additional records. The form was never received, nor were additional records.

The claim was referred to the SERS' Medical Consultant, MMRO, who determined that the medical evidence did not support that Ms. Metcalf was incapacitated from performing her job duties.

Ms. Metcalf's attorney is filing an appeal of the denial of benefits. He submitted additional medical records along with a note from her doctor. They are requesting that her disability be approved and for benefits to be issued retroactively.

After hearing Ms. Metcalf's attorney present her case at their September 2023 meeting, the Committee decided to defer a decision pending a review of her additional medical documentation by MMRO.

Eric Glaub presented the additional report from MMRO at the Committee's October 2023 meeting, which recommended denying Ms. Metcalf's appeal. After reviewing the report and discussing the information provided, the Committee decided to refer the case to external counsel for a recommendation.

Attorney Evans presented Recommendation No. 2023-20, to deny Ms. Metcalf's appeal. Vice-Chairperson Morris moved to adopt Recommendation No. 2023-20. The motion was seconded by Executive Secretary Blair and passed unanimously.

Vera Jackson – Appeal of Nonoccupational Disability Benefit Overpayment – Deferred

Ms. Jackson was on SERS' nonoccupational disability benefit beginning in July 2021. In May 2023, SERS learned from the IDES report that Ms. Jackson had exceeded the quarterly earnings limitation of \$3,660 in the first quarter of 2023. According to the IDES report, Ms. Jackson worked for another employer and earned \$4,250.10 in the first quarter. This is \$590.10 over the earnings limitation.

On May 10th, 2023, the Disability Section sent Ms. Jackson 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 instructions on how to remit her payment. On May 17th, Benefit Support sent Ms. Jackson her billing letter.

Ms. Jackson failed to pay her overpayment and did not sign and return her Earnings Limit Agreement. Therefore, her benefit was terminated effective March 31, 2023. In addition to the \$590.10 overpayment, Ms. Jackson was now responsible for paying back all disability benefits paid after March 31, 2023.

On July 17th, the Disability Section sent Ms. Jackson a letter stating that her failure to repay the amount that her wages exceeded the quarterly limitation along with not completing and returning a signed agreement resulted in the termination of her benefit March 31st which increased her total arrearage to \$5,414.30.

On July 18th, her billing letter and copies of her original letters were mistakenly sent to another member. This member sent Ms. Jackson the misdelivered correspondence.

Ms. Jackson is appealing her arrearage. She states she never received the May letters, or she would have paid the original debt of \$590.10. Ms. Jackson has not returned to work for the state. She is not requesting that her benefits be reinstated.

After discussing the case at their October 2023 meeting, the Committee decided to defer a decision pending continued research into Ms. Jackson's gainful activity.

Eric Glaub directed the Committee members' attention to Ms. Jackson's earnings for all available quarters of 2023. Following some discussion regarding the new information provided, the Committee decided to refer Ms. Jackson's case to external counsel for a recommendation.

Shucooly Beecham –Reappeal of Termination of Temporary Disability Benefit – Deferred

Shucooly Beecham has been on SERS' Temporary benefit since July 2020. SERS received information that she had exceeded the quarterly earnings limitation during the 3rd and 4th quarters of 2022, working for Chicago Public Schools.

She was originally notified that she exceeded the limit in the 3rd quarter. She called SERS, concerned about signing the agreement because she felt she had exceeded it in the 4th quarter as well. When all the information was received, she had exceeded the limit in both quarters by a total of \$5,153.60. She was sent another letter along with a revised Earnings Agreement. The Earnings Agreement was to be signed and returned within 30 days. She was also sent a collection letter by Benefit Support.

Ms. Beecham failed to pay her overpayment and did not return her Earnings Agreement. Because she did not comply, her benefit was terminated effective December 31, 2022. This created an additional overpayment of disability benefits paid after her termination date.

Ms. Beecham appealed the decision to terminate her benefits and asked that her overpayment be reversed back to the original \$5,153.60 and she be given a repayment plan on this amount at the Executive Committee's June 2023 meeting. Her appeal was denied.

Ms. Beecham was granted a reappeal of her case after providing evidence that she has problems with receiving her mail and that she was never intentionally negligent in responding to SERS. She would ultimately like her benefits reinstated and a payment plan set up for her original overpayment.

After hearing Ms. Beecham present her appeal at their October 2023 meeting, the Committee decided to defer a decision pending further research into her first and second quarter 2023 earnings and receipt of her signed earnings agreement.

Eric Glaub directed the Committee members' attention to Ms. Beecham's earnings for all available quarters of 2022 and 2023. After a brief discussion, Chairperson Becker motioned to reinstate Ms. Beecham's disability benefit provided that she repay the amount that her wages exceeded the gainful activity limitation for each calendar quarter in which such outcome occurred, agree to not exceed the quarterly limitation while in receipt of disability benefits, and acknowledge that if she receives wages above the quarterly limitation in a subsequent calendar quarter, her disability benefit will be suspended. Vice-Chairperson Morris seconded the motion, which passed unanimously.

Whitney Lee – Appeal of Nonoccupational Disability Benefit Overpayment – Personal Hearing – Springfield – 9:00 a.m.

Whitney Lee applied for a nonoccupational disability benefit from SERS in November 2020. When her file was processed for her first payment, her previous time on both occupational and nonoccupational was not fully considered. This error artificially extended her half time ceasing date.

An audit of Ms. Lee's file showed that her benefit should have ended due to half time ceasing in May 2021. Ms. Lee was paid benefits that she was not eligible to receive from June 1, 2021, through March 31, 2023.

Ms. Lee is appealing against the overpayment of benefits and the amount of her repayment plan because she is disabled and is currently unable to work. She states that the requested repayment amount is beyond what she can financially afford at this time.

Ms. Lee is appealing to have the balance due and monthly obligation reduced.

After hearing Ms. Lee present her case and some discussion, the Committee decided to refer to external counsel for a recommendation.

Tijuanna Williams – Appeal of Occupational Disability Benefit Overpayment – Personal Hearing – Springfield – 9:45 a.m.

Tijuanna Williams has been on a SERS 7N Occupational benefit after receiving a settlement from Workers' Compensation.

Ms. Williams found secondary employment between the time her TTD benefits stopped, and her WC settlement was finalized. When SERS received her settlement, staff picked up her occupational benefit from the date TTD ended. Staff then learned that Ms. Williams had been gainfully employed, which caused an overpayment of benefits.

Ms. Williams appealed to the Executive Committee to not start her 7N Occupational benefit until April 2021, after the quarter in which she had exceeded the earnings limitation. The Executive Committee approved her appeal and SERS started the 7N benefit effective April 1, 2021.

Ms. Williams had originally gone on a SERS occupational disability benefit in July 2017. Had she gone directly from the 7T benefit to the 7N benefit, her first ad hoc increase would have started January 1, 2022. However, the Executive Committee determined that since there was a several month break in benefits, the ad hoc increase should not take effect until January 1, 2026.

Ms. Williams did not receive an ad hoc increase January 1, 2022, but she received the increase from January 1, 2023 to July 31, 2023 which created an additional overpayment of SERS benefits.

Ms. Williams is requesting a personal hearing before the Executive Committee to appeal her overpayment.

After hearing Ms. Williams present her appeal, Executive Secretary Blair moved to deny her request to waive the overpayment and defer collection until such time as Ms. Williams requests a refund or retires as a member of SERS. The motion was seconded by Chairperson Becker and passed unanimously.

Venus Brown – Request for Reappeal of Nonoccupational Disability Benefit Claim Denial

Venus Brown applied for a SERS nonoccupational disability benefit. Her case was sent to the medical consultants for review and determination of disability. The returned report indicated that Ms. Brown was not incapacitated from performing her job duties.

Ms. Brown appealed the denial, stating she wasn't told what she needed to submit to be approved, as well as asking why she wasn't given the opportunity to provide it and why SERS did not request additional information after providing us a release of information form. Her appeal was heard at the April 2023 Executive Committee meeting and the denial was upheld.

Ms. Brown is requesting a reappeal of the denial of her disability claim. She has submitted a letter from her medical professional in support of granting her short-term

disability benefits.

After discussing the facts presented, there was no motion offered to allow Ms. Brown to reappeal her case.

Kathleen Schultz – Staff Direction on Nonoccupational Disability Benefit Claim

Kathleen Schultz has been receiving a SERS nonoccupational disability benefit since February 2019.

Ms. Schultz was also awarded Social Security disability benefits. Due to her diagnosis, the Social Security Administration most likely performed a re-examination diary of 7 years, so a continuing disability review has probably not been done.

Recent medical records received for Ms. Schultz's semi-annual recertification process noted that Ms. Schultz had completed all treatment and there was no evidence of disease. Her doctor stated on the Medical Report Form that her condition was stable, and she had no restrictions.

Ms. Schultz's file was sent to MMRO for review. They determined that Ms. Schultz had in fact experienced a material improvement such that she is no longer considered physically incapacitated from performing her position's duties.

The Disability section is seeking direction from the Executive Committee as to whether Ms. Schultz's SERS benefits should be stopped, since she is still receiving SSA disability benefits.

Following a review of the information provided and some discussion, the Committee directed staff to provide notice to Ms. Schultz that her benefit will be suspended after her December 19, 2023 payment, due to the material improvement of her condition as evidenced by the medical documentation provided.

Pamela Broviak – Appeal to Change Retirement Date

Pamela Broviak retired reciprocally with the State Universities' Retirement System (SURS). She listed a retirement date of January 1, 2023, on her SERS application.

SURS began her pension on January 1, 2022. For SURS to backdate her pension and ensure Ms. Broviak is not overpaid, they require SERS to begin her pension when first eligible. Ms. Broviak was first eligible for a pension with SERS on December 1, 2022.

Ms. Broviak is requesting that SERS begin her pension one month earlier to avoid an overpayment with SURS.

After discussing the information provided, Executive Secretary Blair moved to approve Ms. Broviak's appeal. The motion was seconded by Chairperson Becker and passed unanimously.

Stacy Pitts – Appeal Suspension of Disabled Adult Survivor Benefit – Gainful Activity

Stacey Pitts began receiving survivors' benefits from State Employees' Retirement System (SERS) as a disabled surviving daughter on January 1, 2002. Given her status, she is subject to the gainful activity limitation, which occurs when the survivor receives employment wages in a calendar quarter that exceed \$3,660.00. 40 ILCS 5/14-120(d)(2) and Title 80, Section 1540.85 c) of the Illinois Administrative code provide that the survivor benefit is to be suspended when a disabled, unmarried son or daughter over age 18 engages in gainful activity.

Records obtained through the Illinois Department of Employment Security (IDES) indicate that her employment wages exceeded that level for the third consecutive calendar quarter. Ms. Pitts' survivor's annuity was suspended effective November 1, 2023.

Ms. Pitts is appealing the suspension, and although SERS disputes her claim that she did not exceed such limitation as her employer has corroborated the IDES records, SERS concedes that the previous survivor application and annual eligibility verification materials did not inform such beneficiaries of the gainful activity limitation. It should be mentioned that such materials have been updated to inform such beneficiaries of this dynamic.

It should also be mentioned that Ms. Pitts exceeded the limitation during the 4th quarter of 2010 and the 2nd quarter of 2011. The Executive Committee approved her appeal for benefit reinstatement on March 15, 2012, provided that SERS recoup the amount of employment wages that exceeded the earnings limitation.

After discussing the facts presented, the Committee decided to defer a decision pending research of the petitioner's gainful activity.

Renee John – Appeal Suspension of Disabled Adult Survivor Benefit – Gainful Activity

Renee John began receiving survivors' benefits from the State Employees' Retirement System (SERS) as a disabled surviving daughter on November 1, 2008. Given her status, she is subject to the gainful activity limitation, which occurs when the survivor receives employment wages in a calendar quarter that exceed \$3,660.00. 40 ILCS 5/14-120(d)(2) and Title 80, Section 1540.85 c) of the Illinois Administrative code provide that the survivor benefit is to be suspended when a disabled, unmarried son or daughter over age 18 engages in gainful activity.

Records obtained through the Illinois Department of Employment Security (IDES) indicate that Ms. John's employment wages exceeded that level for the third consecutive calendar quarter. Her benefit has been suspended effective November 1, 2023.

Ms. John is appealing this suspension, and SERS concedes that the previous survivor

application and annual eligibility verification materials did not inform such beneficiaries of the gainful limitation. It should be mentioned that that such materials have been updated to inform such beneficiaries of this dynamic.

After discussing the facts presented, the Committee decided to defer a decision pending research of the petitioner's gainful activity.

Edward Zaretsky (Guardian) – Appeal Suspension of Disabled Adult Survivor Benefit – Gainful Activity – Survivor: Nicole Zaretsky

Nicole Zaretsky began receiving survivors' benefits from State Employees' Retirement System (SERS) as a disabled surviving daughter on February 1, 2007. Given her status, she is subject to the gainful activity limitation, which occurs when the survivor receives employment wages in a calendar quarter that exceed \$3,660.00. 40 ILCS 5/14-120(d)(2) and Title 80, Section 1540.85 c) of the Illinois Administrative code provide that the survivor benefit is to be suspended when a disabled, unmarried son or daughter over age 18 engages in gainful activity.

Records obtained through the Illinois Department of Employment Security (IDES) indicate that Ms. Zaretsky's employment wages exceeded that level for the third consecutive calendar quarter. Her survivor's annuity will be suspended effective December 1, 2023.

Ms. Zaretsky is appealing the suspension and is indicating that she will take measures to ensure that she will not exceed such limitation moving forward.

After discussing the facts presented, the Committee decided to defer a decision pending research of the petitioner's gainful activity.

Daniel Friesner – Appeal Suspension of Disabled Adult Survivor Benefit – Gainful Activity

Daniel Friesner began receiving survivors' benefits from State Employees' Retirement System (SERS) as a disabled surviving son on May 1, 1995. Given his status, he is subject to the gainful activity limitation, which occurs when the survivor receives employment wages in a calendar quarter that exceed \$3,660.00. 40 ILCS 5/14-120(d)(2) and Title 80, Section 1540.85 c) of the Illinois Administrative code provide that the survivor benefit is to be suspended when a disabled, unmarried son or daughter over age 18 engages in gainful activity.

Records obtained through the Illinois Department of Employment Security (IDES) indicate that Mr. Friesner's employment wages exceeded that level for the third consecutive calendar quarter. His survivor's annuity will be suspended effective December 1, 2023.

Mr. Friesner is appealing the suspension of his benefits. It should be mentioned that he exceeded the limitation during 2002, 2003, 2011, and 2015 when such limitation was

significantly lower. The Executive Committee approved his appeals for benefit reinstatement at their July 7, 2005, and May 10, 2012, meetings, provided that SERS recoup the amount of employment wages that exceeded the earnings limitation. His survivor benefit was not suspended in 2015 because he exceeded such earning limitation by \$6.76, which is not considered an overpayment under SERS' policy.

After discussing the facts presented, the Committee decided to defer a decision pending research of the petitioner's gainful activity.

Add-On: Channe Ford – Appeal Suspension of Disabled Adult Survivor Benefit – Gainful Activity – Personal Hearing – Teleconference – 10:30 a.m.

Channe Ford began receiving survivors' benefits from State Employees' Retirement System (SERS) as a disabled surviving daughter on August 1, 2007. Given her status, she is subject to the gainful activity limitation, which occurs when the survivor receives employment wages in a calendar quarter that exceed \$3,660.00. 40 ILCS 5/14-120(d)(2) and Title 80, Section 1540.85 c) of the Illinois Administrative code provide that the survivor benefit is to be suspended when a disabled, unmarried son or daughter over age 18 engages in gainful activity.

Records obtained through the Illinois Department of Employment Security (IDES) indicate that Ms. Ford's employment wages exceeded that level for the third consecutive calendar quarter. Her survivor's annuity was suspended effective November 1, 2023.

Ms. Ford is appealing the suspension, as she contends that she terminated employment with Shree 2nd Generation on July 30, 2022.

After discussing the facts presented, the Committee decided to defer a decision pending research of the petitioner's gainful activity.

There being no further business to be brought before the Committee, the meeting was adjourned at 12:10 p.m.

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

Marvin Becker, Chairperson

David Morris, Vice-Chairperson

Timothy Blair, Executive Secretary