

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
MINUTES OF THE
RULES AND PERSONNEL COMMITTEE
April 25, 2022

The Rules and Personnel Committee of the Board of Trustees of the State Employees' Retirement System of Illinois convened by videoconference on Monday, April 25, 2022 at 3:00 p.m. Such meeting was held remotely in accordance with *5 ILCS 120/7(e)(1)*

The following trustees were in attendance:

David Morris, Chairman
Jeremy "Tad" Hawk, Trustee
Dan Silverthorn, Trustee

Others in attendance were:

Tim Blair, Executive Secretary
Jeff Houch, Assistant to the Executive Secretary

The meeting was called to order at 3:00 p.m.

PUBLIC COMMENTS

There were no members of the public present.

APPROVAL OF MINUTES OF THE JANUARY 10, 2022 MEETING

Trustee Hawk motioned to approve the minutes of the January 10, 2022 meeting of the committee, Trustee Silverthorn seconded the motion, and the members voted in the following manner:

Morris - Yes
Hawk - Yes
Silverthorn - Yes

PROPOSED RULEMAKING

Assistant to the Executive Secretary Jeff Houch presented to the Committee proposed rules. Such rules are summarized accordingly.

The proposed rulemaking clarifies the method in which a survivor annuity is offset when the survivor receives occupation death benefits from the Workers' Compensation Commission (or Workers' Occupational Diseases Act. Like occupational death benefits paid under the SERS plan, the statute requires the System to offset the survivor's benefits payable to an eligible survivor by the amount he or she receives in occupational death benefits paid from the Workers'

Compensation Commission. Mr. Houch proposed to codify the methodology to mirror the methodology used to offset SERS occupational death benefits.

The proposed rulemaking prohibits a member from electing a rollover of any refund or any accelerated pension benefit payment to a Roth IRA or any other post-tax plan. There are certain distributions a member can receive as a tax-free rollover to eligible tax-free accounts. Those distributions include termination refunds, alternative formula contribution refunds, survivor's contribution refunds, and accelerated pension benefit payments. However, the IRS prohibits such rollovers to post-tax plans, such as a Roth IRA. To strengthen compliance with the US Internal Revenue Code, Mr. Houch proposed a rule that explicitly prohibits such transfer.

After some discussion on the details and dynamics of the proposed rules, Trustee Hawk made the motion to approve the proposed rules. Trustee Silverthorn seconded the motion, and the members voted in the following manner:

Morris - Yes
Hawk – Yes
Silverthorn - Yes

ANNUAL EVALUATION OF SECRETARY BLAIR

There was some discussion regarding the details of the annual valuation of Executive Secretary Blair. Following the end of that discussion, a motion to approve such valuation was submitted by Trustee Hawk and seconded by Trustee Morris and the members voted in the following manner:

Morris - Yes
Hawk – Yes
Silverthorn - Yes

OLD BUSINESS

There was no old business

NEW BUSINESS

There was no new business

ADJOURNMENT

There being no further business to be brought before the committee, Trustee Silverthorn made the motion to adjourn the meeting. Trustee Hawk seconded the motion and the members voted in the following manner:

Morris - Yes
Hawk – Yes
Silverthorn - Yes

The meeting was adjourned at 4:15 p.m.