

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
MINUTES OF THE RULES AND PERSONNEL COMMITTEE
April 24, 2023

The Rules and Personnel Committee of the Board of Trustees of the State Employees' Retirement System of Illinois convened by videoconference on Monday, April 24, 2023 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, Associate Executive Secretary

The meeting was called to order at 3:02 p.m.

PUBLIC COMMENTS

There were no members of the public present.

APPROVAL OF MINUTES OF THE REGULAR MEETING ON JANUARY 9, 2023

Trustee Hawk motioned to approve the minutes of the January 9, 2023 meeting of the committee, Trustee Morris seconded the motion, and the members voted in the following manner:

Morris - Yes
Hawk – Yes
Silverthorn – present

PROPOSED RULEMAKING

Associate Executive Secretary Jeff Houch presented to the Committee rule provisions that would mitigate administrative burdens and strengthen compliance with the governing statutes. He summarized to the committee that when a member enters into such payment plan, the amount is deducted directly from the member's compensation and transferred to SERS in a pre-tax manner. The System also permits a member to transfer pre-tax funds from other qualified plan accounts and if such amount doesn't cover what is owed, the member may complete the purchase through the payroll deduction method.

Staff contends that to administer this dynamic in accordance with fiduciary obligations, it is prudent to codify limitations on how a member can complete such transactions. The System

contends that given IRS provisions regarding pre-tax installment plans, coupled with the IT system's limitations, it is prudent to codify the policy that a member who enters into an installment plan to establish optional service credit may complete such installment plan by transferring funds from another financial account only when they have separated from service.

Mr. Houch also proposed to codify that a member who transfers funds from another financial account is not permitted to enter into a pre-tax installment payment subsequent to such fund transfer. After some discussion, the committee agreed that such proposal should be clarified so that a member can only transfer from another plan when such transfer completes the transaction.

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 that discussion, a motion to approve such valuation was submitted by Trustee Silverthorn and seconded by Trustee Hawk 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 Hawk made the motion to adjourn the meeting. Trustee Morris seconded the motion and the members voted in the following manner:

Morris - Yes
Hawk – Yes
Silverthorn - Yes

The meeting was adjourned at 4:03PM