

MINUTES
OF THE MEETING OF
THE EXECUTIVE COMMITTEE
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
May 10, 2012

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, May 10, 2012, at 8:30 A.M. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee members present:

Loren Iglarsh, Chairman
Timothy Blair, Executive Secretary
Lori Laidlaw, Vice Chairperson (phone in)

Others Present:

Steve Bochenek, Attorney
Kathy Yemm, Manager, Claims Division
Chris Silver, Supervisor, Disability Section
Michael Noblet, Supervisor, Pension & Death Section
Cori Mitchell, Assistant Supervisor, Pension & Death Section
Dawn Blakeman, Recording Secretary

Minutes of the Previous Meeting

The minutes of the April 12, 2012 meeting of the Executive Committee were presented by Chairman Iglarsh for approval. Copies of the minutes were previously mailed to Committee members for review. There being no additions or corrections, on motion by Executive Secretary Blair seconded by Chairman Iglarsh and by unanimous vote, the minutes were approved as submitted.

Routine Claims & Denial Report

The Routine Claims and Denials Report for the month of April, 2012 were presented for approval. Following review and discussion, Chairman Iglarsh moved acceptance of the Routine Claims and Denials Report for the period of April, 2012. On motion by Executive Secretary Blair seconded by Chairman and by unanimous vote, the minutes were approved as submitted.

Old Business

Robert Ruiz _____ Pension

Robert Ruiz requested a personal hearing with the Executive Committee in a letter dated November 19, 2009, regarding the reciprocal agreement be cancelled so he can still collect his pension benefits from the County Employees' Annuity & Benefit Fund of Chicago pension fund.

Mr. Ruiz through a telephone conversation in December, 2011 with Michael Noblet, Supervisor of the Pension and Death Division has requested another hearing continuance. Accordingly, this case continues to be deferred.

David Sharp _____ Pension overpayment

David Sharp retired on March 31, 2011.

Mr. Sharp contacted SERS and requested an estimate the estimate included 15 years and 10 months of alternative formula service and 7 years 10.50 months under the regular formula with a total of 23 years 8.50 months of state service. In order to qualify for the alternative formula, you need 20 years of service in that formula. Mr. Sharp did not qualify for the alternative formula. An error had been made on the final estimate giving Mr. Sharp all alternative formula and upon receiving this estimate he contacted the SERS office to apply for his pension.

During a routine internal audit it was discovered Mr. Sharp was being paid incorrectly. His pension was computed using the alternative formula (3.0%) instead of the regular formula (2.2%) and as a result of this error he has an overpayment.

David Sharp is appealing his denial to participate in the alternative formula. Mr. Sharp and his attorney Carl Draper attended the April 12, 2012 Executive Committee meeting and is requesting the alternative formula be given to Mr. Sharp.

After discussion the Committee recommended referring Mr. Sharp's appeal for a retirement annuity under the alternative formula in accordance with 40 ILCS 5/14-109 to SERS attorney.

New Business

Terrance Garvey _____ Occupational Disability

Terrance Garvey works for a state agency and a service connected leave of absence was granted.

Mr. Garvey's claim for disability benefits was denied due to failure to apply for occupational disability benefits within the proper time frame.

Based upon a review of the file and information submitted, the Committee finds Terrance Garvey works for a state agency and a service connected leave of absence was granted.

The System did not receive the employee's application for disability benefits within the time limitation pursuant to occupational disability benefits as noted in 40 ILCS 5/14-123, therefore the application was denied.

Ms. Garvey requested a written appeal pursuant to the denial of disability benefits due to late filing, information was received with the appeal request which lists the reasons the employee failed to file on a timely basis.

Based on the facts of this case and information submitted, the Committee recommends approving Terrance Garvey appeal for a waiver of the twelve month filing limitation.

Following a review of the file and some discussion, Chairman Iglarsh moved approval of the appeal of Terrance Garvey for a waiver of the twelve month filing time limit for occupational disability benefits. Vice Chairperson Laidlaw seconded the motion and all were in favor.

Daniel Friesner

Survivor Disabled Adult Earnings Limitation

Daniel Friesner has been receiving a Survivor disabled adult benefit from his mother since May 1, 1995.

Survivor disabled adult benefits were suspended due to earnings which exceeded the System's calendar quarterly earnings limitations.

Based upon a review of the file and information submitted, the Committee finds Daniel Friesner is receiving a Survivor disabled adult.

Information was received that Mr. Friesner works part time and that his earnings have exceeded the System's calendar quarterly earnings limitations; therefore, disabled adult benefits were suspended.

Mr. Friesner's guardian has sent in a written appeal on the suspension of his benefits due to the earnings limitation.

The overpayment created by the employee exceeding the calendar quarterly earnings limitations is consistent with the System's Regulations (80 Ill. Admin. Code 1540.80(e)).

Based on the facts of this case and information submitted and after some discussion the Committee recommends Daniel Friesner's appeal regarding the violation of the System's quarterly calendar earnings limitation be approved.

Vice Chairperson Laidlaw moved to approve the appeal of Daniel Friesner for reinstatement of Survivor disabled adult benefit. Chairman Iglarsh seconded the motion and all were in favor.

Marjorie Truss

Pension – SS Offset

Marjorie Truss has been receiving a retirement annuity since January 1, 2002.

Ms. Truss failed to request participation in P.A. 095-1043 within the proper time frame. Therefore, her request to participate was denied.

Based upon a review of the file and information submitted, the Executive Committee finds Ms. Truss began receiving a retirement annuity as of January 1, 2002.

Public Act 95-1043 allowed certain annuitants to elect to reduce their monthly retirement annuity in order to remove the Social Security offset from an SERS widow's or

survivor benefit. Election forms were required to be returned by June 30, 2009 in order to determine participation by the effective date of the Public Act (July 1, 2009).

Since Ms. Truss' request to participate in P.A. 095-1043 was not returned, her request was denied.

Ms. Truss requested a written appeal pursuant to the denial to participate in P.A. 095-1043. She has indicated she had not received the election notification mailed in April, 2009.

She is asking for the right to participate in P.A.095-1043.

Following a review of the file and some discussion, Chairman Iglarsh moved that the appeal of Marjorie Truss' participation in P.A.095-1043 be denied. Executive Secretary Blair seconded the motion, and all were in favor.

Charlotte Lazenby _____ Non-occupational Disability

Charlotte Lazenby works for a state agency and was granted a medical leave of absence; she has since retired.

Ms. Lazenby received a retroactive disability benefit from the Social Security Administration (SSA) which created an overpayment of non-occupational disability benefits being paid by SERS.

Based upon a review of the file and information submitted, the Executive Committee finds the employee's work location is as stated and was granted a medical leave of absence and is now retired.

Upon receipt of the information regarding her SSA disability benefits award, Ms. Lazenby was contacted regarding the overpayment of non-occupational disability benefits. This overpayment was in accordance with 40 ILCS 5/14-125 and Section 1540.90 of the Illinois Administrative Code which indicate non-occupational disability benefits paid by the System are reduced by the SSA disability benefit.

Ms. Lazenby started receiving pension benefits from SERS effective 7/1/2010. On several occasions SERS wrote to Ms. Lazenby regarding her overpayment of non-occupational disability and supplied her with a repayment contract. Due to lack of cooperation from Mrs. Lazenby it was determined that half of her monthly pension check would be applied to her existing overpayment. She appealed the monthly payment amount at the September 2010 Executive Committee meeting and her appeal was denied. She requested a re-appeal regarding, once again, lowering the monthly repayment and submitted a list of all household expenses.

The Executive Committee agreed to hear her appeal and recommended the denial of the appeal to lower Ms. Lazenby's monthly overpayment deduction to her requested amount. The agreement was made to lower the payment amount so that the overpayment would be paid off in five years.

Following a review of the file and some discussion, Chairman Iglarsh moved that the appeal of Charlotte Lazenby to lower the monthly payment amount that she

requested be denied. Vice Chairperson Laidlaw seconded the motion, and all were in favor.

Wanda Shorty

Disability Halftime/Pension

Ms. Shorty contacted our office after receiving a letter dated March 1, 2012 that her non-occupational disability was maxing out as of April 30, 2012. She has contacted our office on several occasions stating her service time was not correct. She received an account statement but did not understand it. After completion of an audit on Wanda Shorty's account Mr. Noblet, supervisor of the Pension & Death Benefit Claims Division found there was an error made. Her disability benefit should have stopped July 31, 2011 due to her half time ceasing. She has been overpaid since July 31, 2011. She requested in a written appeal to the Executive Committee for approval to extend her disability from July 31, 2011 thru April 30, 2012 due to the error by SERS.

Following a review of the file and some discussion, Executive Secretary Blair moved to deny the written appeal of Wanda Shorty. Chairman Iglarsh seconded the motion and all were in favor.

Wanda Shorty is requesting in a written appeal to the Executive Committee to allow a refund of her survivor/widow contributions and not apply them to her overpayment.

Based on the facts of this case and information submitted and after some discussion the Committee recommends denying her request to receive the survivor/widow contributions refund because she has a surviving disabled adult son. Chairman Iglarsh noted if the refund was approved it would go directly on the overpayment. Secretary Blair seconded the motion, and all were in favor.

There being no further business to be brought before the Committee, the meeting was adjourned at 10:00AM. The next meeting of the Executive Committee is scheduled for Thursday June 14, 2012, in the Springfield office, with video conferencing in Chicago if needed.

Loren Iglarsh
Chairman

Lori Laidlaw
Vice Chairperson

Timothy Blair
Executive Secretary