

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

October 7, 2014

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Tuesday, October 7, 2014 at 8:30 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee Members Present:

Loren Iglarsh, Chairperson  
Lori Laidlaw, Vice Chairperson  
Timothy Blair, Executive Secretary

Others Present:

Emily Reid-Peterson, Attorney  
Kathy Yemm, Manager, Claims Division  
Don Williams, Supervisor, Disability Section  
Kerry Walker, Disability Section  
Cory Mitchell, Pension and Death Section  
Joseph Maggio, Manager, Service and Refunds Division  
Jennifer Staley, Recording Secretary

Minutes of the Previous Meeting

The minutes of the September 11, 2014 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 and seconded by Vice Chairperson Laidlaw, and by unanimous vote, the minutes were approved as submitted.

Routine Claims & Denial Report

The Routine Claims and Denials Report for the month of September, 2014 was presented. Following review and discussion, the Routine Claims and Denials Report for the period of September, 2014, as prepared by staff, was reviewed by the Executive Committee. There being no additions or corrections, on motion by Executive Secretary Blair and seconded by Vice Chairperson Laidlaw, and by unanimous vote, the Routine Claims and Denials Report was approved as submitted.

## Old Business

### Alice Short – Occupational Disability - Recommendation

Alice Short works for a state agency and was granted a medical leave of absence. Ms. Short's claim for disability benefits was previously denied based on a review of medical documentation.

Alice Short had a personal hearing at the February 6, 2014 meeting, represented by her attorney Steven W. Berg, to appeal the denial of occupational disability benefits.

Based on her job duty descriptions, our medical consultant did not find Ms. Short to be disabled from performing the duties of her job. Ms. Short claimed the Job Duty Statement was not completed accurately.

At the February 6, 2014 meeting, Ms. Short's appeal was deferred and it was decided that SERS would request a new job duty statement from Ms. Short's supervisor and set up another evaluation with the System's medical consultant using the new job duty statement.

SERS received an updated job duty statement and it was sent to our medical consultant for review. Ms. Short's agency indicated that help is available to her for heavy and above the shoulder lifting. Our medical consultant reviewed the updated job description and the agency's willingness to provide assistance when needed and opined she could return to work. It was agreed that Attorney Berg will be given an opportunity to depose our medical consultant. That deposition was completed and referred to the Committee.

Attorney Berg accompanied Ms. Short to the July meeting. He signed a Waiver of Procedures form in regards to Ms. Short's case and introduced some additional evidence. Attorney Berg argued that the medical consultant who saw Ms. Short has never treated anyone with these problems and he (the consultant) ignored positive findings of other doctors.

Ms. Short stated that her job duty statement is incorrect and she does not always have help available to her when needed.

After hearing the facts on the case, the Committee determined they would need additional medical office notes from 2007 to the present from Ms. Short's psychiatrist. Mr. Berg indicated he would get the information.

At the September 11, 2014 Executive Committee meeting, Don Williams handed out additional medical information regarding Ms. Short. The system's attorney, Steve Bochenek, will review the additional medical evidence and make a recommendation at the October meeting.

At the October 7, 2014 meeting Attorney Emily Reid-Peterson, on behalf of Attorney Bochenek, presented a recommendation, No. 2014-05. The Committee recommends that the appeal of the petitioner, Alice Short, be affirmed in part and be denied in part. The Committee finds that petitioner has substantiated a disabling condition for the period of January 16, 2013 through September 22, 2013 but has failed to substantiate a disabling condition for the period beginning October 23, 2013. Therefore, the Committee must reverse

in part the decision of the System staff to deny benefits as it relates to that period of January 16, 2013 through September 23, 2013 but affirms the decision of the System staff to deny benefits for the period beginning October 23, 2013.

John Hartnett – Level Income – RTW - Deferred

John Hartnett originally retired May 1, 2003 electing the level income option and subsequently returned to work September 4, 2012. Upon his return, SERS refunded his ERI contributions and adjusted his service credit. Mr. Hartnett is currently working and is contemplating retiring again.

The Pension Section is seeking advice as to whether his “second” retirement would be calculated using the level income option since his “first” retirement was based on Mr. Hartnett selecting a level income option. Attorney Bochenek previously advised the Committee that the Pension Code was silent on this question but that there were difficulties in continuing with the initial election.

At the May Executive Committee meeting, Steve Bochenek, SERS’ attorney, recommended working up figures on different scenarios to propose to Mr. Hartnett. Tim Blair will send these scenarios to Attorney Bochenek for review and consideration of whether any new policies should be adopted by the Executive Committee regarding this issue.

The Committee deferred the case until further information is received.

Benita Walker – Disability Benefits Suspended - Deferred

Benita Walker works as an Account Clerk II for the Illinois Department of Corrections at Stateville Correctional Center. She last worked on January 6, 2014 and began her medical leave of absence on January 7, 2014.

Her file went for medical review on April 22, 2014. At that time, it was determined that although this member did have a medical impairment, it was established that the severity and limitations did not preclude the performance of sedentary work as was described. It was therefore determined that the medical evidence in file did not substantiate the presence of a disabling impairment.

Her nonoccupational disability claim went before the Executive Committee April 10, 2014 and was denied. Ms. Walker disagrees with the temporary denial of her benefits and is requesting a written appeal.

At the August 14, 2014 Executive Committee meeting, Chairman Iglarsh stated that the System needed neurological notes regarding Ms. Walker before making a decision. The matter was deferred.

Benita Walker was seen by her primary care provider on August 11, 2014. The office progress notes are not relevant to the allegations made for disability. There is nothing in this information that warrants changing the opinions already expressed by SERS’ medical consultant. The case is deferred to review the neurological and/or ENT findings.

### Shawn P. Holmes – Military Service Credit

Shawn P. Holmes is requesting that he be allowed to purchase 16 months of military service credit, even though he terminated employment on November 11, 2013. Mr. Holmes was advised on several occasions that he must establish military service credit while he was an employee of the state.

Mr. Holmes was present at the October 7, 2014 meeting and stated he was never verbally told he needed to purchase the military service credit before leaving state service, or he would have done so.

After discussing the facts presented, the case was referred to SERS' attorney for a recommendation, which will be presented at the November meeting.

### Lisa Westbrooks – Nonoccupational Disability

Lisa Westbrooks is a teacher for the Department of Corrections. She last worked July 26, 2013 and began a medical leave on August 1, 2013. Ms. Westbrooks was sent to an IME, Randal Wojciehoski, DPM., D.O., who stated there was no disabling evidence of a medical impairment; she was still able to do her job duties. Her disability benefits were suspended June 30, 2014.

Lisa Westbrooks' file was reviewed by SERS' medical consultant, who opined the evidence in file is insufficient to establish the presence of a disabling impairment. This matter was deferred.

### Wayne Robke – Overpay – Retroactive Retirement

Wayne Robke works as a business manager for Hill Correctional Center. He last worked on January 17, 2010. He began a medical leave of absence on February 28, 2010.

Mr. Robke turned 66 years of age on October 26, 2012. At this time his nonoccupational disability benefits should have been offset in the amount of \$2,134.00, which is the unreduced retirement benefit he was eligible to receive from Social Security; however, a tickler was not set by SERS and therefore his benefit was not offset. This created an overpayment of \$46,948.00.

Had Mr. Robke been aware that his benefit was to be offset in October of 2012 he would have chosen to take his pension at that time.

Wayne Robke is requesting the Executive Committee allow him to retire retroactively. After the September meeting, the Pension Section worked up different retirement calculation scenarios to see what options Mr. Robke would have.

It was determined the best option for Mr. Robke would be to retire retroactively with a repayment plan set up over a several year period and could be as low as \$100.00 per month.

After discussing the options, Chairman Iglarsh made a motion to approve Mr. Robke's request to retire retroactively, seconded by Vice Chairperson Laidlaw. All were in favor. The Pension Section will discuss the options with Mr. Robke to determine the effective retirement date and set up the overpayment collection schedule.

### New Business

#### Peter Paluzzi – Nonoccupational to Occupational Disability Overpayment

Peter Paluzzi works as a Highway Maintainer for the Department of Transportation, District 2. He last worked on February 13, 2008. Mr. Paluzzi originally had a left knee injury that was covered by workers compensation. He was returned to work. His agency sent him for a fitness for duty examination on February 13, 2008 and he was taken off work due to his right knee. He began a medical leave of absence on February 25, 2008 due to right knee injury which occurred while he was working.

SERS owed the member a net occupational disability benefit in the amount of \$40,671.52 for the time period of April 25, 2009 through April 30, 2013. SERS paid the member nonoccupational benefits for the time period of April 25, 2009 through March 31, 2013 equaling \$119,212.46. Because the nonoccupational benefit was converted to occupational disability, SERS has now overpaid the member by \$78,540.94.

Peter Paluzzi is appealing the claimed overpayment of benefits. After reviewing the facts in file and some discussion, Chairman Iglarsh made a motion to deny the appeal of the overpayment of benefits, seconded by Vice Chairperson Laidlaw. All were in favor. The Vouchering Section will be in touch with Mr. Paluzzi regarding the repayment of the overpayment.

#### James Beamon – Extend Date of Suspension

James Beamon works as an office associate for the Secretary of State. He last worked on April 22, 2014. He began a medical leave of absence on April 25, 2014.

Mr. Beamon's file was sent to Medical Consultant #061 for evaluation. A limited neurological exam was recorded as normal. Our medical consultant gave a closed period of disability from date last worked until June 12, 2014.

Mr. Beamon has requested his disability be extended until December 2014.

After discussing the case, Executive Secretary Blair made a motion to deny Mr. Beamon's request for extended disability benefits, seconded by Vice-Chairperson Laidlaw. All were in favor.

### Elizabeth Blair – Survivor Wants to Waive Overpayment

Teddy Blair, a state retiree, died on July 9, 2013. His surviving spouse, Elizabeth Blair, began receiving a survivor annuity for her and their minor son, Austin Blair, effective August 1, 2013.

Austin turned 18 years old on August 18, 2014 and was sent paperwork to complete to determine his status as a full-time student. It was also discovered that a social security offset should have been applied to the survivor benefit because Austin was receiving survivor benefits from Social Security, resulting in an overpayment of \$9,109.12.

Ms. Blair is asking for the overpayment to be waived because the mistake was made by SERS and she does not have the means to repay the overpayment. After reviewing the facts of the case, Executive Secretary Blair made a motion to deny the waiver of overpayment and set up a low payment plan for recovery of the overpayment, seconded by Vice-Chairperson Laidlaw. All were in favor.

### Policy Regarding Digital Signatures – Lynn Johnston

The Pension and Death Division is asking for direction regarding digital signatures on paperwork submitted to SERS. Is a digital signature acceptable or should a written signature be required on forms?

Per Attorney Reid-Peterson, digital signatures are accepted on most documents with minimum exceptions. Digital signatures are not acceptable for some documents, such as Wills, Trusts, Deeds, and Healthcare Power of Attorney. Also, acceptance may be specific to an agency or corporation on what is acceptable.

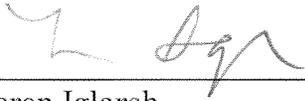
In the case of Lynn Johnston, the digital signature appeared identical to her handwriting and a motion was made by Executive Secretary Blair to approve for processing, seconded by Vice-Chairperson Laidlaw. All were in favor.

It was advised that proposed rules for acceptance of digital signatures should be drafted for further review.

Vice-Chairperson Laidlaw asked Kathy Yemm to contact other systems for any issues they may have had regarding digital signatures to avoid any conflicts in the future.

There being no further business to be brought before the Committee, the meeting was adjourned at 10:50 a.m.

The next meeting of the Executive Committee is scheduled for Thursday, November 13, 2014, in the Springfield office, with video conferencing in Chicago.



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Loren Iglarsh  
Chairman



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Lori Laidlaw  
Vice Chairperson



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Timothy Blair  
Executive Secretary