

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

December 13, 2018

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, December 13, 2018 at 8:30 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

**Committee Members:**

Loren Iglarsh, Chairman  
David Morris, Vice-Chairperson  
Timothy Blair, Executive Secretary

**Others Present:**

Jeff Houch, Assistant Executive Secretary  
Christine Self, SERS Attorney  
Kathy Yemm, Manager, Claims Division Manager  
Cory Mitchell, Acting Supervisor, Pension and Death Section  
Karen Brown, Supervisor, Disability Section  
Alan Fowler, Accounting Manager  
Jennifer Staley, Recording Secretary  
Laura Cadagin, Claimant; Attorney Carl Draper  
Michael Horve, Claimant; Attorney Hugh Rowden

**Minutes of the Previous Meeting**

The minutes of the November 8, 2018 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 Vice Chairperson Morris, seconded by Executive Secretary Blair, and by unanimous vote, the minutes were approved as submitted.

**Routine Claims Report**

The Routine Claims Report for the month of November 2018 was presented. Following review and discussion, the Routine Claims Report for the period of November 2018, as prepared by staff, was received by the Executive Committee.

## Old Business

### Patricia Salgado – Request Refund of ERI Payments

Patricia Salgado is requesting a refund of her ERI payments in the amount of \$7,910.00. Ms. Salgado's pension was being reduced by \$395.50 per month for 20 months for the ERI required payment prior to the termination of her annuity due to her felony conviction.

Background – Patricia Salgado's retirement annuity was terminated effective August 31, 2004 due to a felony conviction directly related to her employment. Her contribution refund of \$30,707.30 was originally denied.

After further review of Ms. Salgado's request of September 15, 2015, the Claims Division found that Ms. Salgado did have a right to a refund of her contributions as explained in the Attorney General's memo of August 23, 2004; therefore, the contributions in the amount of \$30,707.30 were refunded in 2016. At that time, a decision was made that the ERI payments should not be refunded.

Ms. Salgado has requested a refund of the ERI payments.

Following a review of the information presented and some discussion, a motion was made by Chairman Iglarsh to approve a refund of the ERI payments. The motion was seconded by Executive Secretary Blair and all were in favor.

## New Business

### Laura Cadagin – Appealing Refund Repayment Amount

In 2005, Laura Cadagin requested the cost to purchase 219 months of SERS service credit for time spent working for the Illinois Finance Authority (IFA). Ms. Cadagin was notified the cost of the purchase would be \$58,928.62, representing employee contributions and interest. She made this contribution and was notified on February 28, 2005 that the payment had been received and that 219 months of service credit would be added to her account. On April 27, 2005, Ms. Cadagin was notified that a mistake was made in the calculation of the cost of her IFA service credit (required employer contribution was excluded) and that she owed an additional \$77,033.10.

On August 11, 2005, Ms. Cadagin appealed to the Executive Committee to ask the committee to affirm that all 219 months of service credit had been purchased by February 28, 2005, and that no additional contributions were required. On September 8, 2005 the Executive Committee adopted a recommendation to affirm the additional contributions were required in order to establish the entire 219 months of service credit, or that Ms. Cadagin could instead choose to establish 94 months of service credit and not make the additional contributions.

In June 2018, Ms. Cadagin requested the cost to purchase the additional 125 months of IFA service credit. She was provided with a cost of \$231,727.46, representing employee and employer contributions at the current rate, and interest at 2.5% annually.

Ms. Cadagin was present at the December 13, 2018 meeting with her attorney, Carl Draper, to appeal the amount of the required contribution. Attorney Draper reported he would send additional information to SERS' attorney.

The committee agreed to defer the case until the new information is received from Attorney Draper for review.

#### Michael Horve – Appealing the Conversion of Non-Occupational Disability to Occupational Disability

Michael Horve worked as a yard maintenance worker for the Secretary of State. He went off work on October 20, 2016. He began a service connected leave of absence on October 21, 2016.

Mr. Horve filed for an occupational disability claim with SERS on May 26, 2016, citing a work related injury on May 5, 2016. SERS paid occupational disability benefits to Mr. Horve while he received TTD from Tristar. SERS stopped his benefit on October 2, 2016 because his TTD benefits were ceased by Tristar.

On January 17, 2017, Mr. Horve filed for SERS Temporary disability benefit and signed a Required Signature for Temporary Disability form. Mr. Horve received a settlement for his injury dated April 16, 2018. SERS converted his Temporary benefit to an Occupational benefit. This created an overpayment due to SERS.

Mr. Horve is requesting SERS to cease attempts to collect the overpayment, claiming that this period of disability was not work related. Further, his attorney feels that the settlement did not include any payment to Mr. Horve for temporary total disability benefits for the period in which he received SERS disability payments.

Mr. Horve and his attorney, Hugh Rowden, were present at the December 13, 2018 Executive Committee meeting to appeal the conversion of Non-Occupational Disability to Occupational Disability benefits.

The case will be referred back to the disability staff for review and verify the medical(s) on file correspond with the appropriate time period(s). It will then be determined if the case will need to be brought before the committee for further discussion.

#### Kristen Longino – Appealing Denial of Non-Occupational Disability

Kristen Longino works as a Motor Vehicle Cashier for the Secretary of State. She last worked September 9, 2017. She began a medical leave of absence on September 9, 2017. She has not returned to work.

The SERS medical consultant has reviewed the file and has found there is insufficient evidence in the file to substantiate a disabling condition.

Ms. Longino wishes to appeal the denial of Non-Occupational Disability benefits. She was scheduled to appear before the December 13, 2018 Executive Committee but was unable to attend. Her case was deferred.

Kathleen Sharpness – Appeal of 90 Day Filing Period – Non-Occupational Disability

Kathleen Sharpness works as a Public Service Representative for the Secretary of State. She last worked on October 6, 2016. She began a medical leave of absence on October 19, 2016 due to an injury. She returned to work on November 18, 2016.

She has requested a written appeal to the Executive Committee to have the 90-day filing limitation waived.

Following a review of the information presented and some discussion, a motion was made by Chairman Iglarsh to approve the appeal. The motion was seconded by Executive Secretary Blair and all were in favor.

Darius M. Beck – Appeal of 90 Day Filing Period – Non-Occupational Disability

Darius Beck is appealing the denial of disability based on the 90-day filing rule. He was removed from payroll June 8, 2016. His 90 days expired September 6, 2018. The notification came in from the agency July 27, 2018. SERS sent him forms July 30, 2018. His application was received November 1, 2018. The medical records were received November 1, 2018. He returned to work August 27, 2018.

Following a review of the information presented and some discussion, a motion was made by Vice Chairperson Morris to approve the appeal. The motion was seconded by Executive Secretary Blair and all were in favor.

Michelle Park – Appeal of 90 Day Filing Period – Non-Occupational Disability

Michelle Park is appealing the denial of disability based on the 90-day filing rule. She was removed from payroll August 6, 2018. Her 90 days expired November 6, 2018. She came in for a packet November 7, 2018. Her application was received November 7, 2018. The medical was received November 7, 2018. She returned to work October 15, 2018. The member's request was denied in accordance with Chapter 40 ILCS 5/14-124(5).

Following a review of the information presented and some discussion, a motion was made by Vice Chairperson Morris to approve the appeal. The motion was seconded by Chairman Iglarsh and all were in favor.

Richard Simmons – Requesting Waiver of 12 Month Filing Limitation for Occupational Disability

Richard Simmons works as a Highway Maintainer for the Illinois State Department of Transportation. He was injured at work on May 26, 2016 and was last paid by his agency on June 3, 2016. He was placed on a service connected leave of absence on June 4, 2016 and returned to work on July 11, 2016. He received TTD benefits from Tristar June 6, 2016 through July 10, 2016.

Mr. Simmons' request for Occupational Disability was denied in accordance with Chapter 40 of Illinois Pension Code 5/14-124(5). He asked the Executive Committee to waive the 12-month filing limitation.

Following a review of the information presented and some discussion, a motion was made by Chairman Iglarsh to approve the appeal. The motion was seconded by Executive Secretary Blair and all were in favor.

Glen E. Gelfius – Requesting Waiver of 12 Month Filing Limitation for Occupational Disability

Glenn Gelfius works as a Highway Maintainer for the Illinois State Department of Transportation. He was injured at work on July 31, 2017 and was last paid by his agency on August 7, 2017. He was placed on a service connected leave of absence on August 8, 2017 and returned to work on August 21, 2017. He received TTD benefits from Tristar August 8, 2017 through August 20, 2017.

Mr. Gelfius' request for Occupational Disability was denied in accordance with Chapter 40 of Illinois Pension Code 5/14-124(5). He asked the Executive Committee to waive the 12-month filing limitation.

Following a review of the information presented and some discussion, a motion was made by Chairman Iglarsh to approve the appeal. The motion was seconded by Executive Secretary Blair and all were in favor.

Lillian Clark – Appeal to Retain Pension as Paid

Lillian Clark applied for a reciprocal retirement to be effective May 1, 2018 with Municipal Employees' Annuity and Benefit Fund (MEABF). Ms. Clark died on August 17, 2018. Shortly thereafter, SERS was informed that Ms. Clark had not applied for a retirement annuity with MEABF. Ms. Clark was not eligible for a pension independently with SERS.

This resulted in an overpayment of pension benefits for the period of May 1, 2018 through August 31, 2018 in the amount of \$21,856.40. In addition, she was not due any insurance coverage for this period.

Ms. Clark's daughter, Cinnamon, is requesting that her mother's pension remain as paid as the insurance coverage is needed.

Following a review of the information presented and some discussion, a motion was made by Chairman Iglarsh to deny the request to retain the pension as paid. The motion was seconded by Vice Chairperson Morris and all were in favor.

Ghanshyam Patel – Appeal to Apply Social Security Offset Removal to Pension

Ghanshyam Patel retired on January 1, 2017. He returned to work on May 16, 2017 and then re-retired on August 1, 2018.

With Mr. Patel's original pension he did not elect the option to reduce his pension by 3.825% to remove any future social security offset. With Mr. Patel's subsequent pension, he did elect this option. This election was denied by staff.

When calculating a member's pension who is re-retiring, staff adds the original pension to the new pension. Because Mr. Patel did not choose the Social Security offset reduction the first time, we would add an unreduced pension to a new pension that was reduced. This would result in the survivor benefit having no social security offset for the new pension, but a possible offset for the original pension.

Mr. Patel is requesting to apply the Social Security offset removal to his pension.

Following a review of the information presented and some discussion, a motion was made by Vice Chairperson Morris to approve the request to apply the Social Security offset removal to Mr. Patel's pension, with the stipulation that the 3.825% from the original pension is repaid within 30 days. The motion was seconded by Executive Secretary Blair and all were in favor.

Joseph Lombardi – Refund Repayment

Joseph Lombardi first became a member of SERS in July 1989, working seasonally for the Illinois Department of Transportation. Mr. Lombardi has requested and taken eleven termination refunds, the first being in October 1991 and the last in June 2018. Mr. Lombardi has requested to repay these refunds. He has been denied by staff since he has not established at least 24 months of service credit since the time of the last refund, as required by statute.

Following a review of the information presented and some discussion, a motion was made by Vice Chairperson Morris to deny Mr. Lombardi's request to repay the refunds. The motion was seconded by Executive Director Blair and all were in favor.

Latonia Post – Requesting Lower ARCP Repayment Amount

Latonia Post participated in the Alternative Retirement Cancellation Payment (ARCP) that was offered in 2005. This option allowed her to resign state employment and receive payment of double contributions with double interest. Ms. Post received \$50,596.12.

Public Act 94-0109 states that if an ARCP recipient returns to state employment, the member must repay the ARCP portion of the payout within 60 days of the return to state employment. Ms. Post's ARCP portion is \$30,514.83.

Ms. Post returned to state employment November 1, 2018; therefore, requiring her to repay the \$30,514.83. Based on the ARCP repayment policy of collecting 20 percent of pay, Ms. Post's required payment would be \$756.20 per month, or \$378.10 per pay period, to repay in an estimated 40.5 months/81 pay periods. To repay in 60 months the required payment would be \$508.58 per month, or \$254.30 per pay period.

Ms. Post is requesting a lower payment for an extended time.

Following a review of the information presented and some discussion, a motion was made by Chairman Iglarsh to deny the request to lower Ms. Post's payment. The motion was seconded by Vice Chairperson Morris and all were in favor.

#### George B. Corcoran – Request to Remove Social Security Offset - Non-Occ Disability

George B. Corcoran works as a maintenance equipment operator for the IL Department of Human Services. He stopped working on June 29, 2018 and began a medical leave of absence on August 3, 2018.

Mr. Corcoran recently began receiving a SERS Non-occupational benefit with an effective date of August 3, 2018. He believed his benefit amount would be 50 percent of his monthly AFC equaling a gross amount of \$2,484.34 per month. Due to Mr. Corcoran being over age 66, SERS statutes require that his social security retirement amount be deducted as of the effective date of the SERS benefit, thereby reducing his benefit to \$50.34.

Mr. Corcoran is currently not collecting his social security annuity and is requesting that we do not offset the annuity from his Non-Occupational Disability benefit.

Following a review of the information presented and some discussion, a motion was made by Executive Secretary Blair to deny the request to remove the Social Security offset. The motion was seconded by Vice Chairperson Morris and all were in favor.

#### Elise McWoodson - Appeal of 90 Day Filing Period – Non-Occupational Disability

Elise McWoodson is appealing the denial of disability based on the 90 day filing rule. She was removed from the payroll August 3, 2018. Her 90 days expired October 31, 2018. The claim notification was received on September 17, 2018; her application was received December 3, 2018; and the medical was received December 3, 2018. She has not returned to work.

Following a review of the information presented and some discussion, a motion was made by Chairman Iglarsh to approve Ms. McWoodson's request to appeal the 90 day filing period. The motion was seconded by Executive Secretary Blair and all were in favor.

Kurt Male – Ability to Transfer Military Service Purchased at SURS to SERS  
Along with Transfer of Police Time with SURS

Kurt Male, SERS member and SOS investigator, has expressed interest in transferring his SURS police credits to SERS under the provisions of SB65 (Public Act 95-0530). He has also paid for one year of military service, which was established at SURS, and has requested that the one year of military also be transferred into SERS. There is no statutory support for this transfer of purchased military time.

The Accounting Division is seeking guidance on whether to allow the transfer of one year of purchased military service time for Mr. Male from SURS. Also, should SERS produce a current estimate to purchase the one year of military time and then allow the transferred amount to reduce the amount owed by Mr. Male to complete the purchase.

After discussing the proposed scenario, Chairman Iglarsh moved to approve the SURS service to be transferred into SERS. The motion was seconded by Vice Chairperson Morris and all were in favor.

Wendie Medina – Family and Medical Leave Act (FMLA) Service

Wendie Medina, SERS member, has received FMLA protection for unpaid intermittent time off during calendar years 2014, 2015, 2016, 2017, and 2018. She is requesting the ability to establish earnings credit for the unpaid time under 40 ILCS 5/14-103.12. The pension code establishes the ability of a member to purchase service credit and/or earnings credit for authorized leaves of absences.

Ms. Medina had FMLA protection for intermittent time off. No Leave of Absence was ever established nor authorized, and none appear with her CMS personnel transactions. Ms. Medina has full service credit for her entire period cover the FMLA coverage. She is retiring effective January 1, 2019.

Following a review of the information presented and some discussion, a motion was made by Vice Chairperson Morris to deny Ms. Medina's request to establish earnings for her intermittent unpaid time off. The motion was seconded by Executive Secretary Blair and all were in favor.

Chiquita C. Griffis - Appeal of 90 Day Filing Period – Non-Occupational Disability

Chiquita C. Griffis works as a Veterans' Employment Representative for the Illinois Department of Employment Security. She stopped working on June 8, 2017 and began a medical leave of absence on July 5, 2017. She has not returned to work.

SERS was notified of her disability on December 26, 2017 after receiving her application for Non-Occupational disability via an Internet claim. She did not apply within the 90 day filing period; therefore, her disability was denied in accordance with Chapter 40 of Illinois Pension Code 5/14-124(5).

Chiquita C. Griffis is asking the Executive Committee to waive the 90 day filing rule.

Following a review of the information presented and some discussion, a motion was made by Chairman Iglarsh to approve Ms. Griffis' request to appeal the 90 day filing period. The motion was seconded by Vice Chairperson Morris and all were in favor.

Unused Sick Days Associated With Contractual Employment

SERS staff was recently informed of a member that has approximately 15 years of service credit. Prior to her membership date, the member served approximately 20 years as a "contractual employee" for the legislature. The contractual employment is not eligible for SERS service credit. It is expected that when we receive the paperwork from her employer, it will include unused sick days associated with her contractual employment period. Given that the member spent a significant portion of her career with the legislature as a contractual employee and that such certification will likely include many sick days earned prior to her membership date, staff requests guidance on how to treat the sick days reported that were accrued as a contractual employee.

The committee recommended that staff only accept the maximum number of days such member would have accrued as a member, and exclude any unused sick days that were earned as a contractual employee. Since the member has 15 years and 2 months of service credit as member, staff shall only accept 182 days of unused sick time for purposes of adding service credit to the benefit calculation.

There being no further business to be brought before the Committee, the meeting was adjourned at 12:00 p.m.

The next meeting of the Executive Committee is scheduled for January 10, 2019, at 8:45 a.m. in the Springfield office with video conferencing in Chicago.

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Loren Iglarsh, Chairman

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David Morris, Vice Chairperson

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Timothy Blair, Executive Secretary

