



**MEETING NO: 16-05 D**

**BENEFIT REVIEW COMMITTEE**

The Regular Meeting of the Benefit Review Committee of the Board of Trustees was held Thursday, May 19, 2016. Present at the meeting were Committee members Copper, Kuehne, Piechocinski, Miller, Thompson and Stanish, IMRF medical consultant, Dr. Rao, staff members, Davis, Dixon, Rockett, Janicki-Clark and O'Brien.

Absent: None

(16-05-01)(Visual roll call)

Ms. Copper presided as chairperson and called the meeting to order at 9:00 a.m.

(16-05-02)(Approval of prior meeting minutes)

The Benefits Manager presented the minutes from the Committee meeting held on February 25, 2016.

**After discussion, Mr. Kuehne moved to approve the minutes. Seconded by Ms. Stanish.**

Motion passed by unanimous voice vote

(16-05-03)(Argo Community High School- Appeal of AP charge) Findings and Conclusions of the IMRF Hearing Officer

IMRF Hearing Officer Susan Davis Brunner presented the following findings and Conclusions:

**ILLINOIS MUNICIPAL RETIREMENT FUND**

<b>IN THE MATTER OF THE ARGO COMMUNITY HIGH</b>	)	
<b>SCHOOL DISTRICT #217, FULTON COUNTY,</b>	)	<b>IMRF #01177</b>
<b>re: RETIREMENT OF LAURENE HAWRYSIO #175-3673</b>	)	
<b>FROM A DECISION OF THE ILINOIS MUNICIPAL</b>	)	<b>Susan Davis Brunner</b>
<b>RETIREMENT FUND ADMINISTRATIVE STAFF</b>	)	<b>Hearing Officer</b>

**LAURENE HAWRYSIO, Employee #175-3673** (hereinafter referred to as "HAWRYSIO") was a seasonal employee of the **ARGO COMMUNITY HIGH SCHOOL DISTRICT #217**

(hereinafter referred to as "ARGO") who terminated her active participation in the **ILLINOIS MUNICIPAL RETIREMENT FUND** (hereinafter referred to as "IMRF") and employment with the school district on May 31, 2015. On August 4, 2015, IMRF sent an Accelerated Payment Invoice to ARGO in the amount of five thousand, seven hundred and twenty-three and 12/100 (\$5,723.12) dollars. On August 7, 2015, ARGO requested a review of and exemption from the accelerated payment based on a collective bargaining agreement entered into, signed or amended prior to January 1, 2012. The exemption request was denied by the IMRF Administrative Staff on October 1, 2015. ARGO then requested a hearing to appeal the Administrative Staff Determination denying the accelerated payment exemption.

The appeal was heard before Hearing Officer Susan Davis Brunner (hereinafter referred to as "HO") by teleconference on March 17, 2016, at 1:00 p.m. Payroll Supervisor VIRGINIA FREES (hereinafter referred to as "FREES") and Business Manager JOE MURPHY (hereinafter referred to as "MURPHY") appeared on behalf of ARGO. BETH JANICKI CLARK, Associate General Counsel (hereinafter referred to as "JANICKI CLARK"), and LARICE DAVIS, Paralegal (hereinafter referred to as "DAVIS"), appeared on behalf of IMRF. At the hearing, the HO granted ARGO 7 days to submit a complete copy of the 2013-2015 Collective Bargaining Agreement, but it was not submitted, and therefore, not added to the case record.

#### **FINDINGS OF FACT BY THE HEARING OFFICER**

After hearing oral testimony by FREES, MURPHY and JANICKI CLARK, and reviewing the written exhibits tendered by the parties, the HO makes the following findings of fact:

1. HAWRYSIO had been a 10 month Building Secretary for ARGO at the time of her retirement, and as such, she worked approximately 10 months of the year to coincide with the school year, but received yearly employment credit for each 10 month school year worked (see ARGO Exhibit #1, Letter from MURPHY to IMRF dated 8/7/15, requesting Exemption from Accelerated Payment).
2. HAWRYSIO was an active participant of IMRF up until the time of her retirement on May 31, 2015, and received yearly IMRF credit for each 10 month school year she worked.
3. Each ARGO employee was given the option of receiving 26 paychecks over the course of the year, even if the employee works only 10 months per year. If the employee elects this option, the employee receives five checks all paid in the final payroll run (see ARGO Exhibit #1, Letter from MURPHY to IMRF dated 8/7/15, requesting Exemption from Accelerated Payment).
4. The final payroll period is usually completed by the last day of school. Although the school year often ends in May, during 2011, the school year ended in June because of earlier school days (see ARGO Exhibit #3, Argo Community High School District 217 2010-2011 calendar).
5. During the school year 2010-2011, HAWRYSIO elected to receive her salary in 26 paychecks. Therefore, she was paid the last 5 checks of her 2010-2011 school year salary during June, 2011, which was reported as June earnings to IMRF (see ARGO Exhibit #4, HAWRYSIO payroll 6/1/2011 through 5/31/2012).

6. HAWRYSIO was paid \$45,961.23 from 6/1/2010 through 5/31/2011 (see ARGO Exhibit #5, HAWRYSIO payroll 6/1/2010 through 5/31/2011).
7. HAWRYSIO was paid \$53,946.43 from 6/1/2011 through 5/31/2012 (see ARGO Exhibit #4, HAWRYSIO payroll 6/1/2011 through 5/31/2010).
8. On May 31, 2015, HAWRYSIO retired and terminated her active participation in IMRF.
9. On August 4, 2015, the IMRF sent an Accelerated Payment Invoice to ARGO in the amount of five thousand, seven hundred and twenty-three and 12/100 (\$5,723.12) dollars (see IMRF Exhibit #1, AP Invoice, Accelerated Payment for Laurene Hawryσιο, dated August 4, 2015). The AP Invoice stated that the Employee's earned wages during the 12 month period from 6/2011 through May, 2012 was fifty-three thousand, nine hundred and forty-six and 43/100 (\$53,946.43) dollars. The invoice further stated that the Employee's wages from the previous 12 month period (6/2010 to 5/2011) was forty-five thousand, nine hundred and sixty-one and 23/100 (\$45,961.23) dollars; an increase of \$7985.20. Based on actuarial assumptions and tables, the IMRF determined that the present value of the increase in the pension due to this increase in earned wages was \$5723.12 (see IMRF Exhibit #1, AP Invoice).
10. ARGO did not dispute at any time the dollar amount determined by IMRF to be the present value of the increase in Employee's pension due to the increased earnings nor did it dispute the dollar amount of the accelerated payment; it requested an exemption.
11. On August 7, 2015, ARGO filled out IMRF Form 7.20, and checked Box "A" on the form, requesting an exemption from the accelerated payment because the Employee's "earning increases was paid under a contract or collective bargaining agreement entered into, amended or renewed before January 1, 2012." (see ARGO Exhibit #2, Request for Review/Delay of an Accelerated Payment Invoice, dated August 7, 2015). ARGO did not submit any written collective bargaining agreements, nor was there any testimony given about an applicable collective bargaining agreement signed, amended or renewed prior to 1/2012.
12. On August 7, 2015, ARGO also submitted a letter from MURPHY to IMRF requesting an exemption from the Accelerated Payment because any perceived increase in payment to HAWRYSIO was due to her electing to receive her 2010-2011 salary in 26 checks, so that HAWRYSIO was paid five checks in June, 2011.
13. In a letter dated October 1, 2015, the request for exemption was denied by the IMRF Administrative Staff because the additional checks paid in June resulted in an increase in HAWRYSIO'S final rate of earnings. IMRF found there was no exemption applicable due to any collective bargaining agreement (see IMRF Exhibit #2, letter from IMRF Audrey Brown-Ryce to MURPHY dated October 1, 2015).
14. ARGO requested a hearing to appeal the Administrative Staff Determination to the IMRF Board of Trustees.

**RECOMMENDED ADMINISTRATIVE DECISION**

Based on the Findings of Fact, the Illinois Pension Code and IMRF Rules and Procedures, the Board of Trustees of the IMRF has jurisdiction over this appeal.

Article 7 of the Illinois Pension Code authorizes the Illinois Municipal Retirement Fund to provide retirement, disability, and death benefits to the employees of participating local governments and school districts in Illinois. It also provides that the IMRF Board of Trustees may make rules and regulations for the IMRF to efficiently administer the fund. The revenue that is used to pay retirement benefits are paid under a defined benefit plan authorized by State law, and comes from three sources: employees contribute a percentage of each paycheck; governments and agencies contribute at varying rates, depending on the pay and ages of their employees; and, the employee and employer contributions are invested, and any income that comes from these investments is also used to pay benefits. When an employee retires, IMRF averages the most lucrative 48 month period within the last ten years of the employee's career, and calculates the monthly pension amount. Once IMRF determines the monthly pension amount, it estimates how long the retiree will live and calculates a total pension cost. It subtracts the employee's contributions, and takes the rest out of the employer's deposits. (see 40 ILCS 5/7).

The Pension Code and IMRF rules require government agencies to contribute over time at a pace that will cover pension costs if employees' salaries rise at a normal pace. However, when an employee's salary spikes at the end of his or her career, the amount earned during the 48 month period increases, and the pay average of that 48 month period also increases, and neither the employee nor the local agency has contributed enough to cover the increased pension. The Pension Code requires that when an employee retires, and a government or agency is left with this deficit to cover future retirees, it must pay more than usual to make up the difference. The Pension Code and the IMRF rules and manual make clear that the goal is to make the pension fund fully funded.

The Illinois Pension Code provides, in part, as follows:

(k) If the amount of a participating employee's reported earnings for any of the 12-month periods used to determine the final rate of earnings exceeds the employee's 12 month reported earnings with the same employer for the previous year by the greater of 6% or 1.5 times the annual increase in the Consumer Price Index-U, as established by the United States Department of Labor for the preceding September, the participating municipality or participating instrumentality that paid those earnings shall pay to the Fund, in addition to any other contributions required under this Article, the present value of the increase in the pension resulting from the portion of the increase in salary that is in excess of the greater of 6% or 1.5 times the annual increase in the Consumer Price Index-U, as determined by the Fund. This present value shall be computed on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the Fund that is available at the time of the computation...

40 ILCS §7-172(k).

In addition, the language provided above in the Pension Code is repeated and clarified in detail in IMRF Rule 720.E, Accelerated Payments as well as IMRF Rule 3-1-5, Employer Reporting and Contributions. Both rules state clearly that the excess earnings are based

upon a comparison of earnings received during the most lucrative 12 month period with the preceding 12 month period within the final rate of earnings period. In this case, a comparison of HAWRYSIO'S 6/2011-5/2012 earnings with 6/2010-5/2011 earnings triggered the necessity for an accelerated payment since both years were included within the final rate of earnings period.

Although ARGO checked Box "A" of IMRF Form 7.20, it did not submit any written collective bargaining agreements. Nor did MURPHY base his argument for exemption at the appeal hearing on any collective bargaining agreements. MURPHY conceded at the hearing that the Employee's increased earnings were paid pursuant to a collective bargaining agreement signed after 2012. In addition, he acknowledged that all employees were given the option of being paid in 21 or 26 installments. Instead, MURPHY argued that ARGO should be exempt from any accelerated payment because HAWRYSIO did not get a raise during the 2011 to 2012 school year. Instead, the five additional checks paid in June, 2011, were actually earned by HAWRYSIO during the 2010-2011 school year. In addition, MURPHY said the additional 5 checks were only paid in June, 2011, instead of May, 2011, was because the 2010-2011 school year was extended into June that year only because of earlier snow days. MURPHY maintained that even though the Employee terminated IMRF participation on May 31, 2015, the 12 month period upon which her earnings should be tabulated should track the school year. MURPHY argued that the option for seasonal workers to be paid over a 10 month or 12 month period was akin to a courtesy and that the Employee's yearly salary increase was actually minimal and well below the salary increase necessary for an accelerated payment. MURPHY stated that he did not know the final rate of earnings period would be based on the 12 months just prior to the 5/31/2015 termination date, and each preceding 12 month period, but instead assumed it would follow the school year.

**I recommend that the IMRF staff decision denying the Accelerated Payment Exemption be AFFIRMED. Pursuant to the Illinois Pension Code, as well as IMRF rules, the Final Rate of Earnings period for HAWRYSIO was the 48 month period prior to her retirement. Within that FRE period, HAWRYSIO earned fifty-three thousand, nine hundred and forty-six and 43/100 (\$53,946.43) dollars during the 12 month period from 6/2011 through May, 2012. HAWRYSIO'S wages from the previous 12 month period (6/2010 to 5/2011) was forty-five thousand, nine hundred and sixty-one and 23/100 (\$45,961.23) dollars; an increase of \$7985.20. Per IMRF rules and the Pension Code, that twelve month period, when compared with the 12 month period immediately preceding it, shows that HAWRYSIO'S increase in earnings was sufficient to trigger the need for an accelerated payment. Section 7-172(k) of the Pension Code applies unless there is an exemption set forth in the Code. There was no collective bargaining agreement that provided a basis for any allowable exemption to the accelerated payment. In addition, there is no exemption from the accelerated payment when the employee works for a school that is based on a school year. Even though HAWRYSIO'S school year ended in June, 2011, she received a full year of work credit and a full year of IMRF credit for each ten month school year of actual work. The accelerated payment is not a penalty, but rather an acceleration of the employer's IMRF contribution necessary to fund HAWRYSIO'S pension fund.**

**/s/ Susan Davis Brunner**

**SUSAN DAVIS BRUNNER, Hearing Officer**

**EXHIBIT LIST:**

**IMRF EXHIBITS:**

1. AP Invoice, Accelerated Payment for Laurene Hawrysis, from IMRF to Joseph Murphy, Argo School District 217, dated August 4, 2015;
2. Letter from IMRF Audrey Brown-Ryce to Joseph Murphy, Argo School District 217, dated October 1, 2015;
3. Letter from Beth Janicki-Clark, IMRF, to Joseph Murphy, Argo School District 217, dated September 18, 2015;
4. IMRF Memorandum, by Beth Janicki Clark, dated March 8, 2016;
5. Letter from Beth Janicki-Clark, IMRF, to Virginia Frees, Argo School District 217, dated November 9, 2015.

**ARGO SCHOOL DISTRICT 217 EXHIBITS:**

1. Letter from MURPHY to IMRF dated 8/7/15, requesting Exemption from Accelerated Payment;
2. Form 7.20, Request for Review/Delay of an Accelerated Payment Invoice, signed on August 7, 2015;
3. Argo Community High School District 217 2010-2011 calendar.
4. 2011-2012 Pay Memo for Laurene Hawrysis;
5. 2010-2011 Pay Memo for Laurene Hawrysis;
6. Letter from Virginia Frees, Argo School District 217, to Beth Janicki-Clark, IMRF, dated November 3, 2015.

**After further discussion the committee recommends that the Board adopt the hearing officer's findings and conclusions which upheld the administrative staff determination.**

**Motion:** Kuehne

**Second:** Miller

**Ayes:** Miller, Copper, Kuehne, Piechocinski, Thompson and Stanish

**Nays:** none

**Motion Passed:** 6-0

(16-05-04)(McLean County- Appeal of AP charge) Findings and Conclusions of the IMRF Hearing Officer

IMRF Hearing Officer Susan Davis Brunner presented the following findings and Conclusions:

**ILLINOIS MUNICIPAL RETIREMENT FUND**

**IN THE MATTER OF THE MCLEAN COUNTY ) ER #3041**  
**re: RETIREMENT OF CATHY MAAKS #119-1536 )**  
**FROM A DECISION OF THE ILINOIS MUNICIPAL) Susan Davis Brunner**

**CATHY MAAKS, Employee #119-1536** (hereinafter referred to as "MAAKS") was an employee of **MCLEAN COUNTY** (hereinafter referred to as "MCLEAN") who terminated her active participation in the **ILLINOIS MUNICIPAL RETIREMENT FUND** (hereinafter referred to as "IMRF") and employment with the county on July 2, 2015. On August 4, 2015, IMRF sent an Accelerated Payment Invoice to MCLEAN in the amount of twenty-three thousand, two hundred and forty-four and 77/100 (\$23,244.77) dollars. On August 28, 2015, MCLEAN requested a review of and exemption from the accelerated payment based on a collective bargaining agreement entered into, signed or amended prior to January 1, 2012. The exemption request was denied by the IMRF Administrative Staff on October 1, 2015. MCLEAN then requested a hearing to appeal the Administrative Staff Determination denying the accelerated payment exemption.

The appeal was heard before Hearing Officer Susan Davis Brunner (hereinafter referred to as "HO") by teleconference on March 17, 2016, at 1:00 p.m. MCLEAN COUNTY STATE'S ATTORNEY DONALD KNAPP, JR. (hereinafter referred to as "KNAPP") appeared on behalf of MCLEAN. BETH JANICKI CLARK, Associate General Counsel (hereinafter referred to as "JANICKI CLARK"), and LARICE DAVIS, Paralegal (hereinafter referred to as "DAVIS"), appeared on behalf of IMRF.

#### **FINDINGS OF FACT BY THE HEARING OFFICER**

After hearing oral testimony by KNAPP and JANICKI CLARK, and reviewing the written exhibits tendered by the parties, the HO makes the following findings of fact:

15. MAAKS was employed by MCLEAN from 1990 to July 2, 2015, and at the time of her retirement was employed as a sergeant in the corrections department (see MCLEAN Statement of Facts; also see Exhibit #1, Position Classification and Pay Rate).
16. MAAKS was an active participant of IMRF up until the time of her retirement on July 2, 2015, and received yearly IMRF credit for each year she worked (see MCLEAN Exhibit #2, Letter dated June 18, 2015, from Cathy Maaks).
17. At the time of her retirement, MAAKS was employed pursuant to a Collective Bargaining Agreement (hereinafter referred to as 2013-15 CAB) (also see MCLEAN Statement of Facts).
18. A Final 2013-2015 Collective Bargaining Agreement was either signed on August 19, 2014, pursuant to an arbitration award made on July 8, 2014, regarding certain disputed sections of the CAB (see MCLEAN Exhibit #3, Arbitration Award, dated July 8, 2014); (also see MCLEAN Exhibit 4, one page of a document labeled "McLean County Sheriff /FOPLC Corrections Unit 2013-2015 (Final), titled "Article 30 Wages"); (also see MCLEAN Exhibit 5, which is a signature page of a Final 2013-15 CAB). While there are miscellaneous pages of the Final 2009-2012 and 2013-2015 Collective Bargaining Agreements, no complete copies of either contract were submitted into evidence.
19. Pursuant to the arbitration award and subsequent signing of the final 2013-15 CAB,



MAAKS was given a salary raise effective through 2015 and retroactive to January 1, 2013 (see MCLEAN, Exhibit 6, 2013-15 CAB, "Article 30 Wages"). Per the attachment to the Arbitration Award, MAAKS received a pay increase of 2.25% for 2013 and 2014; and, 2.875% for 2015 (see MCLEAN Exhibit #4, page 6, Arbitration Award). Per the page titled "Article 30 Wages" of the 2013-15 CAB, all retroactive payments were to be paid in one check within 45 days of the signing of the Agreement.

20. Per the Appendix C-2 Wage Schedule, Correctional Sergeant 4104, attached to the Final 2013-2015 CAB, MAAKS' hourly salary with raises as a Step 23 Employee was to be \$35.58 in 2013; \$36.38 in 2014, and \$37.43 in 2015 (see MCLEAN Exhibit 5, Appendix C-2 Wage Schedule, Correctional Sergeant 4104).
21. Signed Payroll Change Forms were submitted each April to reflect her hourly rate of pay. (see MCLEAN Exhibits #6, McLean County Payroll Change Forms). The Payroll Change Forms dated April 2012, 2013, and 2014 were signed prior to the Arbitration Award. The April 2015 Payroll Change Form was signed after the Arbitration Award and signing of the Final 2013-2015 CAB, and reflected the increase in hourly pay.
22. Per MAAKS' 8/1/14-7/31/15 Payroll History Report, Additional Pay in the amount of three thousand, seven hundred eighty-one and 99/100 (\$3781.99) dollars was paid to MAAKS as retroactive pay for 2013 and 2014 salary raises (see MCLEAN Exhibit #7, 8/1/14-7/31/15 Payroll History Report).
23. MAAKS reported earnings to IMRF of \$89,792.88 from 8/2014 through 7/2015 (see MCLEAN Exhibit #7, 8/1/14-7/31/15 Payroll History Report).
24. MAAKS reported earnings to IMRF of \$72,378.62 from 8/2013 through 7/2014 (see MCLEAN Exhibit #7, 8/1/14-7/31/15 Payroll History Report).
25. On July 2, 2015, MAAKS retired and terminated her active participation in IMRF.
26. The period used to calculate the IMRF Final Rate of Earnings period was August, 2014 through July, 2015.
27. On August 4, 2015, IMRF sent an Accelerated Payment Invoice to MCLEAN in the amount of twenty-three thousand, two hundred and forty-four and 77/100 (\$23,244.77) dollars (see IMRF Exhibit #1, AP Invoice, Accelerated Payment for Cathy Maaks, dated August 4, 2015). The AP Invoice stated that the Employee's earned wages during the twelve month period from 8/2014 through July, 2015 was eighty-nine thousand, seven hundred and ninety-two and 88/100 (\$89,792.88) dollars. The invoice further stated that the Employee's wages from the previous 12 month period (8/2013 through 7/2015) was seventy-two thousand, three hundred and seventy-eight and 62/100 (\$72,378.62) dollars; an increase of \$17,414.26. Based on actuarial assumptions and tables, the IMRF determined that the present value of the increase in the pension due to this increase in earned wages was \$23,244.77 (see IMRF Exhibit #1, AP Invoice).
28. MCLEAN did not dispute at any time the mathematical formula used by IMRF to determine the present value of the increase in Employee's pension due to the increased earnings nor did it dispute the dollar amount of the accelerated payment.



Rather, MCLEAN requested an exemption to the accelerated payment pursuant to a collective bargaining agreement. MCLEAN also argued that the Pension Code only required an accelerated payment when the actual salary increased more than 6%. MCLEAN argued that MAAKS' actual yearly salary increase was less than 3%, so even though her earned wages were greater than 6%, this did not warrant an accelerated payment.

29. On August 28, 2015, MCLEAN filled out IMRF Form 7.20, and checked Box "A" on the form, requesting an exemption from the accelerated payment because the Employee's "earning increases was paid under a contract or collective bargaining agreement entered into, amended or renewed before January 1, 2012." (see MCLEAN Exhibit #8, Request for Review/Delay of an Accelerated Payment Invoice, dated August 28, 2015). MCLEAN submitted a few pages from the 2009-2012 and 2013-2015 written collective bargaining agreements as exhibits, and seemed to argue in its Statement of Facts that since the 2013-2015 CAB was not signed until August, 2014, not only was MAAKS' 2013 and 2014 salary paid pursuant to the 2009-2012 CAB, but so were the 8/2014 retroactive pay raises, even if the 2013-2015 CAB had already been signed
30. In a letter dated October 1, 2015, the request for exemption was denied by the IMRF Administrative Staff. There was no exemption applicable due to a collective bargaining agreement since the 2013-2015 CAB was entered into, amended or renewed after 1/1/2012. (see IMRF Exhibit #2, Letter from IMRF Audrey Brown-Ryce to MCLEAN Treasurer, Rebecca McNeil dated October 1, 2015).
31. MCLEAN requested a hearing to appeal the Administrative Staff Determination to the IMRF Board of Trustees.

### **RECOMMENDED ADMINISTRATIVE DECISION**

Based on the Findings of Fact, the Illinois Pension Code and IMRF Rules and Procedures, the Board of Trustees of the IMRF has jurisdiction over this appeal.

Article 7 of the Illinois Pension Code authorizes the Illinois Municipal Retirement Fund to provide retirement, disability, and death benefits to the employees of participating local governments and school districts in Illinois. It also provides that the IMRF Board of Trustees may make rules and regulations for the IMRF to efficiently administer the fund. The revenue that is used to pay retirement benefits are paid under a defined benefit plan authorized by State law, and comes from three sources: employees contribute a percentage of each paycheck; governments and agencies contribute at fluctuating rates, depending on the pay and ages of their employees; and, the employee and employer contributions are invested, and any income that comes from these investments is also used to pay benefits. When an employee retires, IMRF averages the most lucrative 48 month period within the last ten years of the employee's career, and calculates the monthly pension amount. Once IMRF determines the monthly pension amount, it estimates how long the retiree will live and calculates a total pension cost. It subtracts the employee's contributions, and takes the rest out of the employer's deposits. (see 40 ILCS 5/7.

The Pension Code and IMRF rules require government agencies to contribute over time at a pace that will cover pension costs if employees' salaries rise at a normal pace.

However, when an employee's salary spikes at the end of his or her career, the amount earned during the 48 month period increases, and the pay average of that 48 month period also increases, and neither the employee nor the local agency has contributed enough to cover the increased pension. The Pension Code requires that when an employee retires, and a government or agency is left with this deficit to cover future retirees, it must pay more than usual to make up the difference. The Pension Code and the IMRF rules and manual make clear that the goal is to make the pension fund fully funded.

The Illinois Pension Code provides, in part, as follows:

(k) If the amount of a participating employee's reported earnings for any of the 12-month periods used to determine the final rate of earnings exceeds the employee's 12 month reported earnings with the same employer for the previous year by the greater of 6% or 1.5 times the annual increase in the Consumer Price Index-U, as established by the United States Department of Labor for the preceding September, the participating municipality or participating instrumentality that paid those earnings shall pay to the Fund, in addition to any other contributions required under this Article, the present value of the increase in the pension resulting from the portion of the increase in salary that is in excess of the greater of 6% or 1.5 times the annual increase in the Consumer Price Index-U, as determined by the Fund. This present value shall be computed on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the Fund that is available at the time of the computation...

40 ILCS §7-172(k).

In addition, the language provided above in the Pension Code is repeated and clarified in detail in IMRF Rule 720.E, Accelerated Payments as well as IMRF Rule 3-1-5, Employer Reporting and Contributions. Both rules state clearly that the excess earnings are based upon a comparison of earnings received during two specified 12 month periods within the final rate of earnings period. In this case, MAAKS retired in July, 2015, and a comparison of MAAK'S 8/2013-7/2014 earnings with her highest earnings period from 8/2014-7/2015 earnings triggered the necessity for an accelerated payment since both years were included within the final rate of earnings period.

MCLEAN did not submit any complete written CABS, but submitted two pages of the 2009-2012 CAB which states, in summary, that the 2009-2012 Agreement shall be in effect, from 2009-2012, and from year to year thereafter until written notice of termination. MCLEAN seems to be arguing in its Statement of Claim that the 2013-2015 pay raises and retroactive payments made to MAAKS were pursuant to the 2009-2012 CAB, even though paid in 2014. However, MCLEAN also acknowledges that MAAKS pay raises were made pursuant to the July, 2014 Arbitration Award and the Final 2013-2015 CAB signed in August, 2014.

IMRF Manual section 3.96T also states that, "A labor contract settlement may be made retroactive to an earlier date. If so, the lump sum paid for the retroactive period is considered IMRF earnings when paid and is not allocated to the retroactive period." In addition, the IMRF Manual 4.20(A) states that "IMRF wage reporting is on a cash basis. This means that wages are reportable to IMRF for the month and when the obligation to pay the wages accrued." Clearly, MAAKS retroactive pay of \$3781.99 was reportable to IMRF in 2014 when it was paid, and not pursuant to the 2009-2012 CAB.

At the hearing, MCLEAN did not base its argument for exemption on any collective bargaining agreements. MCLEAN conceded at the hearing that the Employee's increased earnings were paid pursuant to a collective bargaining agreement signed after 2012. Instead, MCLEAN argued at the hearing that MCLEAN should be exempt from any accelerated payment because MAAKS did not get a 6% pay raise at any time from 2013 to 2015 as required by the Pension Code. MCLEAN argued that the additional amounts paid as retroactive pay in 2014 for three thousand, seven hundred eighty-one and 99/100 (\$3781.99) dollars reflected a salary increase of less than 3% per year. MCLEAN argued that MAAKS' yearly salary increase was actually minimal and well below the **salary** increase necessary for an accelerated payment. MCLEAN argued that section 7-172(k) of the Pension Code states that any accelerated amounts required to be paid to IMRF by a municipality are based only on "the present value of the increase in the pension resulting from the portion of the increase in **salary** that is in excess of 6% or 1.5 times the annual increase in the Consumer Price Index-U, as determined by the Fund." MCLEAN conceded that MAAKS' retroactive pay earnings increased her pension benefits and her final rate of earnings, but stated that the use of the word "salary" in section 7-172, rather than "earnings" was purposeful, and not intended to include lump sum payments for retroactive salary increases of less than 3% per year. MCLEAN further argued that the legislative history of Public Act 97-069 shows the use of the word "salary" was intentional, as State Senator Raoul introduced an amendment to the bill by describing it as requiring payment after "a greater than 6% raise". (see MCLEAN Exhibit #9 , 97<sup>th</sup> General Assembly Senate Transcript, dated 5/31/2011).

The Pension Code, in section 7-172(k) specifically provides that certain earnings are excluded from an employee's final rate of earnings when determining whether the 6% cap has been exceeded: earnings from overtime, promotion, increase in hours, increases paid pursuant to pre-2012 CABS and personnel policies. Nowhere in this list are payments made as and for retroactive pay. Moreover, section 3.96(A) of the IMRF Manual states, "The basic rule is that most forms of compensation for personal services paid during the employment relationship and through the first calendar month after termination of employment are included as IMRF earnings." It then specifically states that compensation for IMRF earning purposes includes "Contract settlement payments (retroactive pay) received during the employment relationship." Finally, as stated above, 3.96(T) of the Manual states that a labor contract settlement made retroactive to an earlier date is considered as reportable IMRF earnings at the time the lump sum is paid.

**I recommend that the IMRF staff decision denying the Accelerated Payment Exemption be AFFIRMED. The Final Rate of Earnings period for MAAKS was the 48 month period prior to her retirement. During that FRE period, MAAKS earned \$89,792.88 during the 12 month period immediately preceding her retirement on July 2, 2015 (8/2014-7/2015). Per IMRF rules and the Pension Code, that 12 month period, when compared with the 12 month period immediately preceding it, shows that MAAKS increase in earnings was sufficient to trigger the need for an accelerated payment. Section 7-172(k) applies unless there is an exemption set forth in the Code. There was no collective bargaining agreement that provided a basis for any allowable exemption to the accelerated payment. Nor does the Pension Code or IMRF rules provide an exemption to the accelerated payment requirement if an employee has received a retroactive lump sum payment for salary increases. In fact, the IMRF rules and manual clarify that retroactive pay is to be included in the employee's reportable earnings and in the determination of the pension amount. Furthermore, it does not make sense to interpret 7-172(k) of the**

**Pension Code as excluding lump sum retroactive earnings payments merely because they are not "salary." These lump sum payments increase MAAKS pension amount; the retroactive payments are reportable as income; the retroactive payments are includible in determining the FRE; and retroactive payments are not listed as one of the 7-172(k) exemptions from accelerated payments. In this case, it is clear that the required accelerated payment is really an acceleration of the employer's IMRF contribution necessary to fully fund MAAK'S pension fund.**

**/s/ Susan Davis Brunner**

**SUSAN DAVIS BRUNNER, Hearing Officer**

**EXHIBIT LIST:**

**IMRF EXHIBITS:**

6. AP Invoice, Accelerated Payment for Cathy Maaks, dated August 4, 2015.
7. Letter from IMRF Audrey Brown-Ryce to MCLEAN Treasurer, Rebecca McNeil dated October 1, 2015.

**MCLEAN COUNTY EXHIBITS:**

7. Position Classification and Pay Rate.
8. Letter dated June 18, 2015, from Cathy Maaks
9. Arbitration Award, dated July 8, 2014.
10. One page of a document labeled "McLean County Sheriff /FOPLC Corrections Unit 2013-2015 (Final), titled "Article 30 Wages".
11. Appendix C-2 Wage Schedule, Correctional Sergeant 4104.
12. McLean County Payroll Change Forms.
13. 8/1/14-7/31/15 Payroll History Report.
14. Request for Review/Delay of an Accelerated Payment Invoice, dated August 28, 2015.
15. 97<sup>th</sup> General Assembly Senate Transcript, dated 5/31/2011.

**After further discussion the committee recommends that the Board adopt the hearing officer's findings and conclusions which upheld the administrative staff**

**determination.**

Motion: Miller

Second: Thompson

Ayes: Miller, Copper, Kuehne, Piechocinski, Thompson and Stanish

Nays: none

Motion Passed: 6-0

(16-05-05)(Daniel Morgan- Workers Compensation Offset/Payment Agreement) Findings and Conclusions of the IMRF Hearing Officer

IMRF Hearing Officer Susan Davis Brunner presented the following findings and Conclusions:

**ILLINOIS MUNICIPAL RETIREMENT FUND**

**IN THE MATTER OF DANIEL MORGAN ) MID #111-9501**  
**re: WORKERS' COMPENSATION OFFSET )**  
**FROM A DECISION OF THE ILINOIS MUNICIPAL ) Susan Davis Brunner**  
**RETIREMENT FUND ADMINISTRATIVE STAFF ) Hearing Officer**

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**DANIEL MORGAN, #111-9501** (hereinafter referred to as "MORGAN") was an employee of **URBANA & CHAMPAIGN SANITARY DISTRICT** (hereinafter referred to as "UCSD") and an active participation in the **ILLINOIS MUNICIPAL RETIREMENT FUND** (hereinafter referred to as "IMRF"). In a letter to MORGAN dated July 29, 2015, IMRF determined that MORGAN had received a Workers' Compensation lump sum settlement in 2006, and had therefore, been overpaid IMRF disability benefits for the same injury from 5/1/06 through 7/26/06 in the amount of three thousand, seven hundred and sixty-two and 70/100 (\$3,762.70) dollars. On September 15, 2015, MORGAN requested a review of and reversal of this determination based on an argument that MORGAN did not receive any disability benefits from 5/06 through 7/26/06, and his lump sump settlement payment was for future loss of earnings only. On September 21, IMRF affirmed its decision that there had been an overpayment because MORGAN'S Workers' Compensation lump sum settlement and IMRF disability benefits were paid for the same injury, no matter how the settlement agreement was drafted.

The appeal was heard before Hearing Officer Susan Davis Brunner (hereinafter referred to as "HO") by teleconference on April 14, 2016, at 1:00 p.m. Attorney Philip Peak (hereinafter referred to as "PEAK") appeared on behalf of MORGAN. BETH JANICKI CLARK, Associate General Counsel (hereinafter referred to as "JANICKI CLARK"), and LARICE DAVIS, Paralegal (hereinafter referred to as "DAVIS"), appeared on behalf of IMRF.

**FINDINGS OF FACT BY THE HEARING OFFICER**

After hearing oral argument by PEAK and JANICKI CLARK, and reviewing the written exhibits tendered by the parties, the HO makes the following findings of fact:

32. MORGAN was employed by UCSD and a member of IMRF when, on May 19, 2004, he suffered a right shoulder and arm injury from a work-related accident (see MORGAN Exhibit 1, Illinois Workers' Compensation Commission Settlement Contract Lump Sum Petition and Order, approved July 26, 2006).
33. Subsequent to this injury, in 2004, MORGAN filed Workers' Compensation claim #04 WC 37369 (see MORGAN Exhibit 1, Illinois Workers' Compensation Commission Settlement Contract Lump Sum Petition and Order, approved July 26, 2006).
34. On April 11, 2006, MORGAN applied for IMRF Disability Benefits due to the right shoulder and arm injury received in the May 19, 2004 accident. In the application MORGAN stated that he had applied for Workers' Compensation benefits and also that the last date he worked was April 10, 2006 (see MORGAN Exhibit #2, Member's Application for Disability Benefits, dated April 11, 2006).
35. In a letter dated July 6, 2006, IMRF approved MORGAN'S disability benefits. The letter advises MORGAN that: "...state statute requires that IMRF disability benefits be reduced by the amount that may be paid as: ...Workers' Compensation or occupational disease weekly or lump sum payments. You indicated on your application for IMRF disability benefits that you had applied for workers' compensation benefits. Therefore, we are required to immediately reduce your benefit to \$10.00 per month" (see MORGAN Exhibit #3, Letter from IMRF to MORGAN, Approval of IMRF Benefit, Reduction in benefit for Social Security and /or Workers' Compensation/occupational disease, dated July 6, 2006).
36. On July 7, 2006, MORGAN submitted a signed Disability Payment Agreement, which: 1) asks IMRF not to reduce his disability checks during the pendency of the Workers' Compensation claim; 2) where MORGAN agrees to notify IMRF if and when he receives any Workers' Compensation benefits; and 3) where MORGAN agrees to repay IMRF the prepaid IMRF disability benefits or his other IMRF benefits will be withheld (see MORGAN Exhibit #4, Disability Payment Agreement, dated July 7, 2006).
37. Per the signed Disability Agreement, IMRF paid MORGAN three disability checks: \$1012.46, for the period from 5/11/06 to 5/31/06; \$1495.51, for the period from 6/1/06 to 6/30/06; and \$1,254.51, for the period from 7/1/06 to 7/26/06, for a total amount of \$3,762.70 (see MORGAN Exhibit #5, Benefit Adjustment Worksheet, dated 7/28/15).
38. On July 26, 2006, MORGAN entered into a settlement agreement regarding his 2004 Workers' Compensation claim. After deductions were taken for attorneys' fees, and medical reports and x-rays, MORGAN received a lump sum settlement of \$76,655.07. The Rider to the Settlement Agreement states, in part, "...This lump sum represents a compromise of all issues including, but not limited to, petitioner's claim of permanent partial disability, temporary total disability, and future medical care and pharmaceutical costs. This settlement represents approximately 43.5% loss of use of the man as a whole" (see MORGAN Exhibit #1, Illinois Workers' Compensation Commission Settlement Contract Lump Sum Petition and Order, approved July 26, 2006).
39. In July, 2014, MORGAN again applied for IMRF disability benefits; this time for a



left shoulder injury.

40. Subsequent to that application, IMRF was informed that MORGAN had received a Workers' Compensation lump sum settlement in 2006 for the 2004 injury (see MORGAN Exhibit #6, Email from Ralph Motto, IMRF to Denise Rockett, IMRF, dated July 15, 2015).
41. IMRF determined that MORGAN should only have received \$25.16 for the period from 5/11/06 through 7/26/06, resulting in the overpayment of \$3737.54 (\$3,762.70 paid minus \$25.16 should have been paid) (see MORGAN Exhibit #5, Benefit Adjustment Worksheet, dated 7/28/15).
42. Per MORGAN'S 2006 signed Disability Payment Agreement, IMRF deducted the \$3737.54 in installments from the amount MORGAN would have received for his 2014 disability claim.
43. Morgan requested a review and reversal of this deduction, which was denied, and requested a hearing to appeal the Administrative Staff Determination to the IMRF Board of Trustees.

### **RECOMMENDED ADMINISTRATIVE DECISION**

Based on the Findings of Fact, the Illinois Pension Code and IMRF Rules and Procedures, the Board of Trustees of the IMRF has jurisdiction over this appeal.

Article 7 of the Illinois Pension Code authorizes the Illinois Municipal Retirement Fund to provide retirement, disability, and death benefits to the employees of participating local governments and school districts in Illinois. It also provides that the IMRF Board of Trustees may make rules and regulations for the IMRF to efficiently administer the fund. The revenue that is used to pay retirement benefits are paid under a defined benefit plan authorized by State law, and comes from three sources: employees contribute a percentage of each paycheck; governments and agencies contribute at fluctuating rates, depending on the pay and ages of their employees; and, the employee and employer contributions are invested, and any income that comes from these investments is also used to pay benefits.

In contrast, the entire cost of the IMRF disability plan, and the cost of continuing service credit and death benefit coverage for a disabled member, is paid solely by the employer. The employer must pay all reasonable and necessary medical care, any temporary disability benefits, as well as compensation for any permanent injuries. The IMRF Manual states that, "The amount IMRF pays as a disability benefit depends on whether the member receives Social Security benefits, workers' compensation (including occupational disease), and/or outside benefits. The minimum amount the member can receive from all five sources is 50% of the member's average monthly earnings subject to the wage cap for Tier 2 members."(see 40 ILCS 5/7; also see IMRF Manual 5.40(B)). Section 7.21 B. of the IMRF Manual states that, "Disability benefits costs include monthly benefit payments, pension (service) credits, and death benefit protection as if the disabled member were working. These costs are borne entirely by the employer. The disability benefit contribution rate for 2016 is 0.14% of participating payroll. Employer contributions for disability purposes are placed in a Disability Benefit reserve for all IMRF employers, and the assessment to individual employers is also on a pooled basis. Unlike death benefit

contributions, however, all employers pay the same rate”.

When an employee files a workers compensation claim against his employer, the employer is also required to pay for the cost of disability benefits and all reasonable and necessary medical care. The employer may be required to pay several kinds of disability benefits to the employee. The employer will pay temporary total disability payments for the period in which an injured worker is either temporarily unable to return to any work, as indicated by his or her doctor, or is released to do light duty work but whose employer is unable to accommodate him or her. The employer pays temporary total disability benefits to an injured employee until the worker has returned to work or has finished healing. The employer may also pay temporary partial disability payments, for the period in which an injured employee is still healing, but is working on a part-time or full-time basis, and earning less than he or she was earning prior to the injury. The employer pays temporary partial disability benefits to an injured employee until the worker has returned to his or her regular job or has finished healing.

Finally, under workers' compensation, the employer may pay permanent partial disability payments, when there is a partial or total loss of the body, part of the body, or partial loss of use of the body as a whole. If an employee's injury is not listed on the statutory schedule of injuries, but it results in certain limitations, the employee may be entitled to a percentage of total weekly benefits, based on the loss of the person as a whole. The number of weeks is then multiplied by a percentage of the employee's average weekly earnings.

The Pension Code, 40 ILCS 5/7-222 states as follows:

“Reduction of disability and survivor's benefits on account of corresponding benefits payable under the Workers' Compensation Act and the Workers' Occupational Diseases Act. Whenever any person is entitled to a disability or survivors benefit under this Article and to benefits under the Workers' Compensation Act or the Workers' Occupational Diseases Act in relation to the same injury or disease, the monthly benefits payable under this Article shall be reduced by the amount of any such benefits payable under either of those Acts, except payments for medical, surgical and hospital services, non-medical remedial care and treatment rendered in accordance with a religious method of healing recognized by the laws of this State, and for artificial members or appliances, and fixed statutory payments for the loss of or the permanent and complete loss of the use of any bodily member, provided that the monthly benefit payable under this Article shall not be reduced to less than \$10 per month. If the benefits deductible under this paragraph are stated in a weekly amount, the monthly amount for the purposes of this Section shall be  $4\frac{1}{3}$  times the weekly amount” (see 40 ILCS 5/7-222).

The Pension Code and the IMRF rules and manual make clear that the employer must pay all disability benefits, but not twice. The disability benefits, as determined by a percentage of the employees' weekly earnings, are either paid by IMRF alone, or, if the employee qualifies for Social Security or Workers' Compensation benefits, then the benefits are paid from a combination of sources. The employee is not entitled to maximum disability benefits from both IMRF and Workers' Compensation. The Pension Code, the IMRF Manual and Rules, and the Disability Payment Agreement all make clear that an employee's IMRF disability payments will be reduced if the employee receives Social Security, workers' compensation, or occupational disease benefits. The Disability Payment Agreement was made because MORGAN had a Workers' Compensation claim pending. The Agreement states that in lieu of IMRF paying him \$10.00 per month as required, MORGAN would instead receive a prepayment of future disability benefits of

\$1,495.51 per month; the amount estimated by IMRF that MORGAN would likely receive from Social Security and/or workers compensation. The Agreement further states that MORGAN agrees to notify IMRF when he receives any Workers' Compensation payments, and will then repay IMRF the prepaid disability amount (see Disability Payment Agreement, dated July 7, 2006). MORGAN did not notify IMRF after receiving his 2006 Workers' Compensation lump sum settlement, and so IMRF did not know that it was owed a repayment for amounts prepaid until MORGAN'S 2014 disability claim.

MORGAN argues that he was not paid any workers' compensation benefits for the time period between May 11 through July 26, 2006, when he received IMRF Benefits. He maintains that he was only paid temporary total disability benefits for the period from November 30, 2005, through January 4, 2006, which did not overlap with the period for which he received IMRF benefits. MORGAN maintains that his Workers' Compensation Lump Sum Settlement Agreement, awarded July 26, 2006, does not include any disability benefits for the period prior to the lump sum award, but only covers benefits paid for MORGAN'S partial loss of a man as a whole and for his future diminished earning capacity. However, the written Settlement Agreement states that it represents a settlement of MORGAN'S Workers' Compensation claim for all injuries and effects arising from his 2004 right arm, right shoulder and neck injury. Moreover, the Rider to Settlement Contract signed between MORGAN and his employer states that the payment is a settlement of all past, present or future claims, and releases UCSD from any and all liability (see MORGAN Exhibit #1, Illinois Workers' Compensation Commission Settlement Contract Lump Sum Petition and Order and the Rider Thereto, dated July 26, 2006).

It is clear that MORGAN'S injury did not qualify as an injury listed on the statutory schedule, but has resulted in sufficient physical limitations, so that UCSD agreed to pay a percentage of MORGAN'S total monthly benefits, based on his partial (43%) loss of the person as a whole. In MORGAN'S case, UCSD agreed to pay a sum equal to monthly payments for 29 years. Although the payment is paid in a lump sum, and it is called a payment based on a "loss of use of the man as a whole", it is still paid as disability benefits as intended by the Workers' Compensation statute. The Rider states, "This lump sum represents a compromise of all issues including, but not limited to petitioner's claim of permanent partial disability, temporary total disability, and future medical care and pharmaceutical costs". These are all of the possible claims to be made under the workers' compensation law. 7-222 of the Pension Code states that whenever any person is entitled to IMRF disability benefits and Workers' Compensation benefits for the same injury or disease, the monthly IMRF benefits payable shall be reduced by the amount of any such Workers' Compensation benefits payable, except for Workers' Compensation payments for medical, surgical and hospital services, non-medical remedial care and treatment rendered for artificial members or appliances, and fixed statutory payments for the loss of or the permanent and complete loss of the use of any bodily member. The statute requires a repayment to IMRF for disability payments made by IMRF when Workers' Compensation payments are for the same injury. It does not require each IMRF payment to coincide by date with each Workers' Compensation payment. MORGAN'S Workers' Compensation lump sum disability payment was not a fixed statutory payment. Therefore, since MORGAN received Workers' Compensation benefits for the same injury, IMRF was only required to pay disability payments to MORGAN in the amount of \$10.00 per month, rather than \$1,495.51 per month.

**I recommend that the IMRF staff decision requiring MORGAN to repay IMRF for prepaid disability benefits amounts in excess of \$10.00 per month be AFFIRMED.**

**MORGAN was paid a prorated amount for almost three months at the rate of \$1495.51 per month, for a total of \$3,762.70. Because he was also paid Workers' Compensation benefits, less medical and attorneys' fees, of \$76,655.07, IMRF should only have paid a prorated amount for almost three months at \$10.00 per month, for a total of \$25.16. This resulted in an IMRF prepayment of \$3,737.54, that now must be repaid to IMRF pursuant to his Disability Payment Agreement and the Pension Code. The Pension Code section 7-222 does not provide an exception to the law merely because MORGAN received a lump sum payment for his injury, rather than being paid temporary total disability Workers' Compensation benefits simultaneous to the IMRF disability payments.**

**/s/ Susan Davis Brunner**

**SUSAN DAVIS BRUNNER, Hearing Officer**

**EXHIBIT LIST:**

**IMRF EXHIBITS:**

8. IMRF Memorandum, by Beth Janicki Clark, dated April 4, 2016;

**MORGAN EXHIBITS:**

16. Illinois Workers' Compensation Commission Settlement Contract Lump Sum Petition and Order, approved July 26, 2006.
17. IMRF Member's Application for Disability Benefits, dated April 11, 2006.
18. Letter from IMRF to MORGAN, Approval of IMRF Benefit, Reduction in benefit for Social Security and /or Workers' Compensation/occupational disease, dated July 6, 2006.
19. IMRF Disability Payment Agreement, dated July 7, 2006.
20. IMRF Benefit Adjustment Worksheet, dated 7/28/15.
21. Email from Ralph Motto, IMRF to Denise Rockett, IMRF, dated July 15, 2015.

**After further discussion the committee recommends that the Board adopt the hearing officer's findings and conclusions which upheld the administrative staff determination.**

Motion: Stanish

Second: Kuehne  
Ayes: Miller, Copper, Kuehne, Piechocinski, Thompson and Stanish  
Nays: none  
Motion Passed: 6-0

Ms O'Brien left the meeting.

(16-05-06)(Total and Permanent Eligibility – Renae Woellert – Lake County # 3026)

Renae Woellert appeared before the Committee in person via teleconference on May 19, 2016. The Committee heard comments from Ms. Woellert, the Medical Consultant and staff regarding her conditions. The Committee reviewed the written materials that were submitted to the Committee by staff. The committee deferred making a decision to allow Ms. Woellert the opportunity to review and respond to the Vocational Rehabilitation assessment.

**After further discussion the committee recommends that the Board defer making a determination to deny total and permanent disability benefits pending Ms. Woellert's review/opportunity to respond to the vocational rehabilitation assessment.**

**Motion:** Miller  
Second: Piechocinski  
Ayes: Copper, Kuehne, Miller, Piechocinski, Stanish, and Thompson  
Nays:  
Motion Passed: 6-0

(16-05-07)(Total and Permanent Eligibility – Barbara L. Pickert McLean County # 3041)

Barbara Pickert appeared before the Committee via teleconference on May 19, 2016. The Committee heard comments from Ms. Pickert, the Medical Consultant and staff regarding her conditions. Finally, the Committee reviewed the written materials that were submitted to the Committee by staff

**After further discussion the committee recommends that the Board uphold staff's determination to deny total and permanent disability benefits.**

**Motion:** Miller  
Second: Thompson  
**Ayes:** Copper, Kuehne, Miller, Piechocinski, Stanish, and Thompson  
Nays:  
Abstain:  
Motion Passed: 6-0

(16-05-08)(Total and Permanent Eligibility – Rajendran Paramasivan Township High SD 214 # 1179)

Rajendran Paramasivan's and his attorney, Steven Crifase failed to appear before the Committee via teleconference on May 19, 2016 after numerous attempts by staff to contact Mr. Crifase at the number which was provided for the hearing. The Committee heard comments from the Medical Consultant and staff regarding his conditions. Finally, the Committee reviewed the written materials that were submitted to the Committee by staff. The committee tried to phone Mr. Paramasivan and his attorney numerous times and left numerous messages regarding the appeal and was unable to contact them both.

The committee decided to proceed with the hearing in the absence of the parties and make a determination.

**After further discussion the committee recommends that the Board uphold staff's determination to deny total and permanent disability benefits.**

Motion: Miller  
Second: Piechocinski  
Ayes: Copper, Kuehne, Miller, Piechocinski, Stanish, and Thompson  
Nays: none  
Motion Passed: 6-0

**Staff was subsequently notified that Mr. Parmasivan had arrived in the IMRF offices without his attorney.**

Rajendran Paramasivan's and his wife, Lalitha, appeared before the Committee in person without their attorney, Steven Crifase on May 19, 2016. The Committee heard comments from Mr. Parmasivan, the Medical Consultant and staff regarding his conditions. Finally, the Committee reviewed the written materials that were submitted to the Committee by staff.

**A motion was made to withdraw the prior motion made upholding the staff determination in this case, so that a decision could be made after considering Mr. Parmasivan's testimony and that of his witness.**

Motion: Miller  
Second: Piechocinski  
Ayes: Copper, Kuehne, Miller, Piechocinski, Stanish, and Thompson  
Nays: none  
Motion Passed: 6-0

**After further discussion, the committee recommends that the Board uphold staff's determination to deny total and permanent disability benefits.**

Motion: Miller  
Second: Piechocinski  
Ayes: Copper, Kuehne, Miller, Piechocinski, Stanish, and Thompson  
Nays: none  
Motion Passed: 6-0

Dr Miller Joined the meeting

(16-05-09)(Total and Permanent Eligibility – Mathew J. Fecarotta Village of Hillside # 0309)

Mathew Fecarotta did not appear before the Committee via teleconference. The staff made numerous attempts to contact Mr. Fecarotta. After several attempts and waiting an additional 30 minutes to try to reach him, the Committee heard comments from the



Medical Consultants and staff. Finally, the Committee reviewed the written materials that were submitted to the Committee by staff.

**After further discussion the committee recommends that the Board uphold staff's determination to deny total and permanent disability benefits.**

Motion: Miller  
Second: Piechocinski  
Ayes: Copper, Kuehne, Miller, Piechocinski, Stanish, and Thompson  
Nays: none  
Motion Passed: 6-0

(16-05-10)(Total and Permanent Eligibility Deferred – Rae L. Kocinski- Dupage County # 2999)

Rae Kocinski was originally submitted to the committee on September 24, 2015 and the committee deferred making decision pending additional medial information, the committee did not review the case a deferred making a decision pending review of the vocational rehabilitation report.

**After further discussion the committee recommends that the Board defer making a determination to deny total and permanent disability benefits pending receipt and review of the vocation rehabilitation report.**

Motion: Piechocinski  
Second: Kuehne  
Ayes: Copper, Kuehne, Miller, Piechocinski, Stanish, and Thompson  
Nays: none  
Motion Passed: 6-0

(16-05-11)(Public Comments)

There were no public comments made

(16-05- 12)(Adjournment)

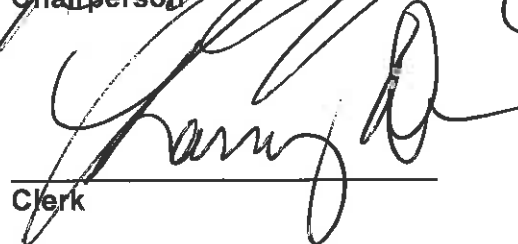
Mr. Piechocinski made a motion to adjourn at 1:26 p.m. Seconded by Mr. Miller. Motion passed by unanimous voice vote

**The next regular scheduled meeting of the Committee will be at 9:30 a.m. on Thursday July 21, 2016.**

  
\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Date

7-21-16

  
\_\_\_\_\_  
Clerk

\_\_\_\_\_  
Date

7-21-16