

**MEETING NO: 14-09-D  
BENEFIT REVIEW COMMITTEE**

The Regular Meeting of the Benefit Review Committee of the Board of Trustees was held Thursday, September 24, 2014. Present at the meeting were Committee members, Piechocinski, Kuehne, Stanish, Copper and Stulir, IMRF staff members, Janicki Clark, Davis, Dixon, O'Brien and Rockett.

(14-01-01)(Visual roll call)

Mr. Stulir presided as chairperson and called the meeting to order at 10:32 a.m.

(14-01-02)(Approval of prior meeting minutes)

The Benefits Manager presented the minutes from the Committee meeting held on August 21, 2014.

**After discussion, Mr. Piechocinski moved to approve the minutes. Seconded by Ms. Copper.**

Motion passed by unanimous voice vote

(14-01-03)(disputed participation– Julian "Jack" Carey) – St. Clair County #3059

Jack Carey appeared in person before the Committee.

**BACKGROUND**

Mr. Carey served as a Guardian Ad Litem for St. Clair County from 1987 to current. IMRF audited the County and discovered that the county had enrolled all attorneys and never had considered whether or not the attorneys were qualified IMRF employees. The County conceded that Mr. Carey was not in a qualifying position as guardian ad litem. Mr. Carey had refused to sign the affidavit certifying that his position met the 600 hour standard. He acknowledged that currently the position does not meet that standard but he stated that the standard was met from 1987 through 2012. He did not keep records but he was very busy as the GAL and he worked at least two days a week at the county building representing juveniles and doing emergency shelter hearings. The docket did vary, some weeks he worked more hours than others. The County did not have any written job description for the position. Mr. Carey received health insurance benefits from the County for the time he was employed as GAL.

**ISSUE**

Whether Mr. Carey was in an IMRF qualifying position from 1987-2012 when he worked as a Guardian Ad Litem for St. Clair County?

## SCOPE OF REVIEW

The Committee heard comments from Mr. Carey. The Committee heard the comments from staff. Finally, the Committee reviewed the written materials that were submitted to the Committee by staff and Mr. Carey.

## FINDINGS AND CONCLUSIONS

The evidence presented did show that Mr. Carey worked as GAL for St. Clair County and that his hours varied. There was insufficient evidence that Mr. Carey did not work 600 hours per year as GAL nor was there sufficient evidence that Mr. Carey did work 600 hours for the years in question. It is clear that Mr. Carey currently does not work enough hours in the position of GAL to qualify for IMRF participation.

## MOTION

**After further discussion, the Committee recommended that contingent upon the execution by Mr. Carey of an IMRF affidavit attesting that he worked 600 hours as Guardian Ad Litem for St. Clair County from 1987-2012, that the staff determination denying Mr. Carey participation in IMRF for the years 1987-2012 would be overturned.**

Motion: Kuehne  
Second: Copper  
Ayes: Copper, Piechocinski, Kuehne, Stulir, Stanish  
Nays: None  
Motion Passed: 5-0

O'Brien left the meeting

(14-01-04)(Denial of AP exemption for Village of Caseyville #0164 (Kenneth Mosby MOK 63542))

The attorney for the Village of Caseyville, J. Brian Manion appeared by telephone.

## BACKGROUND

Caseyville claimed an exemption from the Accelerated payment because the increase was paid "under a contract or collective bargaining agreement entered into, amended, or renewed prior to January 1, 2012" and also that the increase was attributable to a personnel policy adopted prior to January 1, 2012. Kenneth Mosby was paid out 90 days of sick time at his retirement pursuant to the Public Works Collective Bargaining Agreement with Local 100. Section 4 of the collective bargaining agreement provides for the pay out of 90 days of sick time "if any employee leaves with twenty (20) years or if they retire under the

I.M.R.F Retirement Plan". The Agreement with that provision terminated on May 31, 2012 and was thereafter renewed. Mr. Mosby's last day of work was 2/14/14 and no evidence was presented that he gave his notice under the contract that expired on May 31, 2012. No personnel policy was provided by the ER.

### **ISSUE**

Are the payments made to Mr. Mosby exempt from the AP?

### **STATUTE**

The pertinent portion of Sec. 7-172 (k) states:

This subsection (k) does not apply to earnings increases paid to individuals under contracts or collective bargaining agreements entered into, amended, or renewed before January 1, 2012 (the effective date of Public Act 97-609), earnings increases paid to members who are 10 years or more from retirement eligibility, or earnings increases resulting from an increase in the number of hours required to be worked.

When assessing payment for any amount due under this subsection (k), the fund shall also exclude earnings attributable to personnel policies adopted before January 1, 2012 (the effective date of Public Act 97-609) as long as those policies are not applicable to employees who begin service on or after January 1, 2012 (the effective date of Public Act 97-609).

### **SCOPE OF REVIEW**

The Committee heard comments from Mr. Manion. The Committee heard the comments from staff. Finally, the Committee reviewed the written materials that were submitted to the Committee by staff and Mr. Manion.

### **FINDINGS AND CONCLUSIONS**

Mr. Mosby retired under the contract that was entered into after the contract which was provided to IMRF. This contract contained the language regarding a 90 day sick leave payout at retirement and was entered into after January 1, 2012. Mr. Mosby terminated employment on February 14, 2014 and no

evidence was presented which would show he gave notice under the old contract. Mr. Banion's argument that the sick leave was accrued under the prior contract (executed before January 1, 2012) and should therefore be exempt is contrary to the language of the statute and the spirit of the law. The intent of the AP statute was to stop these types of career end spikes in pay. The purpose was to establish a mechanism that would dissuade employers from continuing to have these types of provisions within their collective bargaining contracts. The employer could also have agreed to make the payments during a period where they did not qualify as reportable earnings. In addition, the Village was properly advised of the calculation of the AP. Any dispute regarding the amount of the AP is not properly before this Committee. The appeal in question related solely to the issue of whether or not the exemption was properly denied by IMRF. Caseyville is welcome to direct questions concerning the amount of the Accelerated Payment to the IMRF Finance Director.

#### **MOTION**

**After further discussion, the Committee recommended to uphold the staff decision finding that the Village of Caseyville is not exempt from the AP under Section 7-172(k).**

Motion: Stanish  
Second: Piechocinski  
Ayes: Copper, Kuehne, Stulir, Piechocinski and Stanish  
Nays: None  
Motion Passed: 5-0

(14-01-05)(Julie Davinroy Reciprocal Retirement Benefit – DAJ 4917)

This was a continuation of a hearing held on August 21, 2014. Julie Davinroy appeared before the Committee by telephone.

#### **BACKGROUND**

Julie Davinroy retired reciprocally from SERS and IMRF on May 1, 2014. Prior to her retirement she purchased 5 years of service credit from IMRF (May 1984-May 1989) for which she had received a refund. In February of 2014, Ms. Davinroy sent a check to IMRF for \$23,374.26 to purchase the five years of service credit. Ms. Davinroy was born March 24, 1960, making her 54 years old. She believed that when she retired she would begin receiving her IMRF pension. There were several calls made to Member Services where Ms. Davinroy believes

she was provided inaccurate information (told that her IMRF pension would start right away). IMRF responded that a benefit could not be paid because Ms. Davinroy did not qualify under the statute since she was not at the IMRF minimum retirement age. She has appealed that determination.

### **ISSUES**

Should Ms. Davinroy be allowed to receive her IMRF pension at age 54?

### **STATUTES INVOLVED**

Section 20-16 of the Illinois Pension Code provides:

Sec. 20-116. Minimum qualifying age - Deferred payments. If the minimum qualifying age in any of the participating systems is lower than the minimum qualifying age in any other participating system which is to provide a proportional retirement annuity, or proportional survivor's annuity, payments by such other system shall be deferred until the employee or survivor has attained the minimum qualifying age prescribed for such system.

Section 7-141 of the Illinois Pension Code provides:

Sec. 7-141. Retirement annuities - Conditions. Retirement annuities shall be payable as hereinafter set forth:

(a) A participating employee who, regardless of cause, is separated from the service of all participating municipalities and instrumentalities thereof and participating instrumentalities shall be entitled to a retirement annuity provided:

1. He is at least age 55, or in the case of a person who is eligible to have his annuity calculated under Section 7-142.1, he is at least age 50;

2. He is not entitled to receive earnings for employment in a position requiring him, or entitling him to elect, to be a participating employee;

3. The amount of his annuity, before the application of paragraph (b) of Section 7-142 is at least \$10 per month;

4. If he first became a participating employee after December 31, 1961, he has at least 8 years of service. This service requirement shall not apply to any participating employee, regardless of participation date, if the General Assembly terminates the Fund.

(b) Retirement annuities shall be payable:

1. As provided in Section 7-119;

2. Except as provided in item 3, upon receipt by the fund of a written application. The effective date may be not more than one year prior to the date of the receipt by the fund of the application;

3. Upon attainment of age 70 1/2 if the member (i) is no longer in service, and (ii) is otherwise entitled to an annuity under this Article;

4. To the beneficiary of the deceased annuitant for the unpaid amount accrued to date of death, if any.

### **SCOPE OF REVIEW**

The Committee heard comments from Ms. Davinroy. The Committee heard the comments from staff. Finally, the Committee reviewed the written materials that were submitted to the Committee by staff and Ms. Davinroy.

### FINDINGS AND CONCLUSIONS

The law is clear that Ms. Davinroy can only be paid a pension from IMRF when she reaches age 55. The committee reviewed the transcripts of the calls and determined that although IMRF did not provide misleading information, that there was clearly a misunderstanding between Ms. Davinroy and IMRF regarding the date that her IMRF pension would begin. Ms. Davinroy provided information regarding the loan she took to purchase her IMRF service which had previously been refunded. She had relied on receiving her pension in order to make payments on her loan.

### MOTION

**After further discussion, the Committee recommends that the staff determination be upheld but that Ms. Davinroy be compensated in the amount of \$1,286.40 which represents the interest payments on her loan for 335 days.**

Motion: Piechocinski

Second: Copper

Ayes: Copper, Kuehne, Stulir, Piechocinski and Stanish

Nays: None

Motion Passed: 5-0

(14-01-06)(Total and Permanent Disability Eligibility – Marcey Senkiw – Grant SD#124 - Lagrange SD # 1597)

Maecy Senkiw appeared by telephone before the Committee. The Committee heard comments from Ms. Senkiw regarding her condition. Ms. Senkiw answered questions from the Committee. The Committee heard comments from 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: Kuehnei

Second: Piechocinski

Ayes: Copper, Piechocinski, Stulir, Stanish and Kuehne

Nays: None

Motion Passed: 5-0

(14-01-07)(Total and Permant Disability Eligibility – Dennis L Grove – Frankfort Township SD # 5179)

Dennis Grove appeared before the Committee in person. The Committee heard comments from Mr. Grove regarding his condition. Mr. Grove answered questions from the Committee. The Committee heard comments from 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: Kuehne  
Second: Copper  
Ayes: Copper, Piechocinski, Stulir, Stanish and Kuehne  
Nays: None  
Motion Passed: 5-0

(14-01-08)(Public Comments)

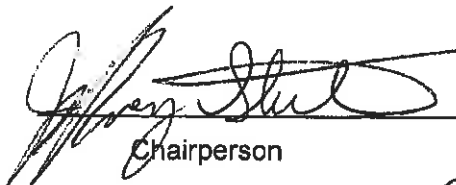
There were no public comments made

(14-01-09)(Adjournment)

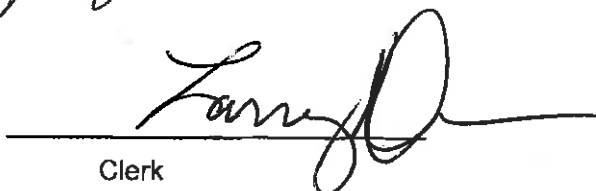
Mr. Piechocinski made a motion to adjourn at 1:15 p.m. Seconded by Ms. Copper.

Motion passed by unanimous voice vote

The next regular scheduled meeting of the Committee will be at 10:30 a.m. on Thursday October 23, 2014.

  
Chairperson

10/28/14  
Date

  
Clerk

10/23/14  
Date