



## MINUTES

**Quarterly Meeting of the Legal & Legislative Committee  
of the Board of Trustees of the  
State Universities Retirement System  
Thursday, June 2, 2022, 3:10 p.m.  
State Universities Retirement System**

**Via remote access only due to COVID-19 statewide restrictions**

The meeting on June 2, 2022, was conducted via video conference pursuant to the Governor's COVID-19 Disaster proclamation dated May 27, 2022, and subsection (e) of Section 7 of the Illinois Open Meetings Act. Chair John Atkinson of the SURS Board of Trustees determined that a full, in-person meeting was not practical nor prudent due to the ongoing Covid-19 disaster concerns.

The following trustees were present: Mr. John Atkinson, chair; Dr. Andriy Bodnaruk; Mr. Richard Figueroa; Dr. Fred Giertz; Mr. Scott Hendrie; Mr. John Lyons; Dr. Steven Rock; Mr. Collin Van Meter; Mr. Mitch Vogel; and Dr. Scott Weisbenner.

Others present: Ms. Suzanne Mayer, Executive Director; Mr. Douglas Wesley, Chief Investment Officer (CIO); Ms. Ellen Hung, Deputy CIO; Ms. Tara Myers, Chief Financial Officer; Ms. Bianca Green, General Counsel; Ms. Kristen Houch, Director of Legislative and Stakeholder Relations; Ms. Alicia Route, Legislative Analyst; Ms. Heather Kimmons, Associate Legal Counsel; Ms. Anna Dempsey, Investment Counsel; Mr. Albert Lee, Associate General Counsel; Ms. Jackie Hohn, Chief Internal Auditor; Ms. Stephany Brinkman, Investment Analyst; Ms. Kelly Carson, Ms. Chelsea McCarty and Ms. Annette Ackerman, Executive Assistants; and Mr. Michael Calabrese of Foley.

Legal & Legislative Committee roll call attendance was taken: Trustee Atkinson, present; Trustee Bodnaruk, present; Trustee Giertz, present; Trustee Lyons, present; and Trustee Rock, present.

## APPROVAL OF MINUTES

Trustee Rock presented the minutes from the Legal & Legislative Committee meeting of March 11, 2022.

Trustee Giertz made the following motion:

- That the minutes from the March 11, 2022 Legal & Legislative Committee meeting be approved as presented.

Trustee Atkinson seconded the motion which passed via the following roll call vote:

Trustee Atkinson - aye  
Trustee Bodnaruk - aye  
Trustee Giertz - aye  
Trustee Lyons - aye  
Trustee Rock - aye

### **CHAIRPERSON’S REPORT**

Trustee Rock did not have a formal Chairperson’s report.

### **LEGISLATIVE UPDATE**

Ms. Kristen Houch and Ms. Alicia Route provided the legislative update. Ms. Houch highlighted the bills that recently passed both houses. Discussion continued as Ms. Houch and Ms. Route addressed questions raised by the trustees.

A copy of the report titled “Bills Passed Both Houses” is incorporated as part of these minutes as [Exhibit 1](#).

### **PROPOSED RULEMAKING CHANGES AND COMPLIANCE UPDATES**

#### **Proposed Rulemaking Changes**

Mr. Lee updated the group on the status of several Rules, these include, the Excess Benefit Arrangement (EBA) rule, changes to the overpayment rules, certification of bias or conflict of interest of a claims panel member and a limited exception for *ex parte* communications between SURS staff and executive director to avoid the argument of bias or conflict of interest.

A copy of the staff memorandum titled “Legal & Legislative Committee Proposed Rulemakings” is incorporated as part of these minutes as [Exhibit 2](#).

#### **Compliance Stop Light Report**

Ms. Green reviewed and discussed the updated compliance stop light report which reflects SURS’ compliance with its reporting requirements.

Ms. Green reminded the trustees that three electronic trainings are due on or before June 30, 2022 including ethics, cyber security and harassment training. Ms. Green also reminded trustees that driver license information is due by June 30, 2022.

A copy of the report titled “May 2022 Compliance Report” is incorporated as part of these minutes as [Exhibit 3](#).

Trustee Atkinson made the following motion:

- That the Legal & Legislative Committee approve the proposed rulemakings substantially as presented for the First Notice filing under the Illinois Administrative Procedure Act.

Trustee Giertz seconded the motion which passed via the following roll call vote:

Trustee Atkinson	-	aye
Trustee Bodnaruk	-	aye
Trustee Giertz	-	aye
Trustee Lyons	-	absent
Trustee Rock	-	aye

### **APPROVAL OF THE JULY 2022 REGULATORY AGENDA**

Ms. Bianca Green presented the proposed July 2022 Regulatory Agenda. She noted that twice each year, in January and July, a regulatory agenda must be filed with the Illinois Secretary of State's Office in Springfield, IL. Ms. Green explained the proposed changes and she answered questions raised by the trustees.

Trustee Bodnaruk made the following motion:

- That the proposed July 2022 Regulatory Agenda be approved as presented and be filed substantially in the form presented.

Trustee Atkinson seconded the motion which passed via the following roll call vote:

Trustee Atkinson	-	aye
Trustee Bodnaruk	-	aye
Trustee Giertz	-	aye
Trustee Lyons	-	absent
Trustee Rock	-	aye

A copy of the report titled "July 2022 Proposed Regulatory Agenda" is incorporated as part of these minutes as [Exhibit 4](#).

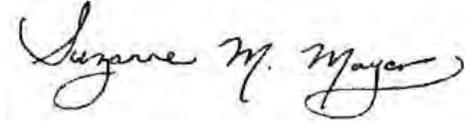
### **PUBLIC COMMENT**

There were no public comments presented to the Legal & Legislative Committee.

There was no further business brought before the committee and Trustee Atkinson moved that the meeting be adjourned. The motion was seconded by Trustee Giertz and the motion passed via the following roll call vote:

Trustee Atkinson	-	aye
Trustee Bodnaruk	-	aye
Trustee Giertz	-	aye
Trustee Lyons	-	absent
Trustee Rock	-	aye

Respectfully submitted,

A handwritten signature in black ink, reading "Suzanne M. Mayer". The signature is written in a cursive style with a large initial "S" and a long, sweeping underline.

Ms. Suzanne M. Mayer  
Executive Director and Secretary, Board of Trustees

SMM:aa



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**Legislative Report: Statutes Last Updated 5/17/22**

**Contact: Office of Legislative Affairs**

***Please note: SURS does not endorse specific pension reform legislation. Our goal is to update and educate SURS members concerning legislation that may affect their retirement benefits.***

**102ND GENERAL ASSEMBLY - BILLS PASSED BOTH HOUSES AND RESOLUTIONS ADOPTED - SECOND YEAR**

Bill Number	Sponsor	Short Title	Short Summary	Status
<a href="#">HB 900</a> <a href="#">(ENRL)</a>	Rep. Welch (Sen. Sims)	FY 2023 Budget	Appropriates \$2,118,567,000 to SURS for the certified State contribution for FY 2023. Of this amount, \$1,903,567,000 comes from the General Revenue Fund and \$215,000,000 comes from the State Pensions Fund. (The certified State contribution to SURS for FY 2023 is \$2,118,567,000.) Appropriates \$4,937,765 from the Education Assistance Fund to SURS for deposit into the Community College Health Insurance Security Fund for the certified State contribution to the College Insurance Program, which provides health insurance for community college retirees. (The certified State contribution to CIP for FY 2023 is \$4,937,765.) Appropriates an additional \$25,000,000 from the General Revenue Fund to SURS for deposit into the Community College Health Insurance Security Fund. Appropriates an additional \$200 million from the General Revenue Fund to the Office of the State Comptroller for deposit into the Pension Stabilization Fund in FY 2023. (The Pension Stabilization Fund is used to reduce the unfunded liabilities of the five State-funded retirement systems.) Of the \$200 million, \$453,600 is used to reduce the unfunded liabilities of the General Assembly Retirement System; \$2,380,700 is used to reduce the unfunded liabilities of the Judges Retirement System; \$43,190,900 is used to reduce the unfunded liabilities of the State Employees' Retirement System; \$115,215,500 is used to reduce the unfunded liabilities of the Teachers' Retirement System; and \$38,759,300 is used to reduce the unfunded liabilities of the State Universities Retirement System. Establishes the Governor's salary as \$190,700 for FY 2023. (The Governor's salary is \$184,800 for FY 2022. Pursuant to 40 ILCS 5/15-155(j-5), SURS employers pay the employer normal cost on the portion of an employee's earnings in excess of the Governor's salary.)	Governor Pritzker Signed into Law on 4/19/22 as Public Act 102-0698 (House: 72-42- 0; Senate: 34-19-1)
<a href="#">HB 4209</a> <a href="#">(ENRL)</a>	Rep. Stuart (Sen. Crowe)	Police Service Credit Transfers	Allows a police officer to make an irrevocable election between January 1, 2023 and June 30, 2023 to transfer service credit from SURS to a downstate police pension fund. Makes other changes.	Sent to the Governor on 5/6/22 (House: 111-4-0; Senate: 57-0-0)
<a href="#">HB 4292</a> <a href="#">(ENRL)</a>	Rep. Morgan (Sen. Martwick)	State Pension Obligation Acceleration Bond Authorization and Buyout Extension	Provides an additional \$1 billion in authorization for State Pension Obligation Acceleration Bonds to finance the Vested, Inactive Buyout Program and the Tier 1 Automatic Annual Increase Buyout Program ("Buyout Programs") created by Public Act 100-0587. Extends the expiration date of the Buyout Programs under SERS, SURS, and TRS for an additional 2 years from June 30, 2024 until June 30, 2026. (Currently, approximately \$117 million of the original \$1 billion in bond authorization remains to finance the Buyout Programs and the Buyouts Programs are scheduled to sunset on June 30, 2024.)	Governor Pritzker Signed into Law on 5/5/22 as Public Act 102- 0718 (House: 108-2-0; Senate: 52-1-0)
<a href="#">HB 4320</a> <a href="#">(ENRL)</a>	Rep. Halpin (Sen. Martwick)	SURS Initiative - 6% Exemption Technical Clarification	SURS initiative that clarifies the effective date of the new 6% exemption created by Public Act 102-0016. (Illinois law (40 ILCS 5/15-155(g) requires employers to pay the present value of the increase in benefits resulting from the portion of any salary increase in excess of 6% during an employee's final rate of earnings period. Public Act 102-0016 created a new, permanent 6% exemption for overload work performed in the academic year following an academic year when the employer could not offer or allow overload work to be conducted due to an emergency declaration limiting such activities. The 6% exemption became effective on June 17, 2021 and does not cover the entire academic year 2021 without additional legislative clarification.)	Governor Pritzker Signed into Law on 5/13/22 as Public Act 102-0764 (House: 103-0- 1; Senate: 56-0-0)



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**102ND GENERAL ASSEMBLY - BILLS PASSED BOTH HOUSES AND RESOLUTIONS ADOPTED - SECOND YEAR**

Bill Number	Sponsor	Short Title	Short Summary	Status
<a href="#">HB 4700</a> <a href="#">(ENRL)</a>	Rep. Harris (Sen. Sims)	FY 2023 Budget Implementation Act	Creates the FY 2023 Budget Implementation Act to make changes in State programs that are necessary to implement the State budget for Fiscal Year 2023. Authorizes the use of money in the State Pensions Fund as part of the State contribution to SURS for FY 2023. Requires the Governor to designate one member of the Illinois Investment Policy Board as the Chairperson. Ends the terms of each member of the Illinois Investment Policy Board appointed by the Governor on June 30, 2022. Requires the terms of members of the Illinois Investment Policy Board appointed by the Governor after June 30, 2022 to be as follows: 2 initial members for terms of 2 years and 2 initial members for terms of 4 years. Requires members of the Illinois Investment Policy Board appointed by the Governor to hold office for 4 years, except that any member chosen to fill a vacancy occurring otherwise than by expiration of a term to be appointed only for the unexpired term of the member whom he or she succeeds. Permits Illinois Investment Policy Board members to be reappointed. Permits the Governor to remove a Governor's appointee to the Illinois Investment Policy Board for incompetence, neglect of duty, malfeasance, or inability to serve.	Governor Pritzker Signed into Law on 4/19/22 as Public Act 102-0699 (House: 72-42-0; Senate: 37-18-0)
<a href="#">HR 677</a>	Rep. Scherer	Audit of Boards and Commissions	Resolves that the Auditor General is directed to conduct a management audit of the State's boards and commissions. Resolves that the audit include, but not be limited to, the following for every known State board and commission: (1) its name and purpose; (2) the number of appointed members and the number of vacancies and the length of the vacancies; (3) costs of member stipends, salaries, and per diems and expense reimbursements to members and State officials and employees for attending board and commission meetings during Fiscal Years 2021 and 2022; (4) the date of each of the board or commission's meetings during Fiscal Years 2021 and 2022 and the number of members in attendance and the number of members absent; and (5) identification of any report or work product prepared and made available by the board or commission during Fiscal Years 2021 and 2022.	House Adopted on 4/4/22 (110-0-0)
<a href="#">HR 711</a>	Rep. Hoffman	Urges Russian Divestment	Condemns Russia for its attack on the sovereign nation of Ukraine. Urges the review and divestment of all funds invested by any State or local unit of government, including but not limited to investments made by the State Board of Investments and any state or local retirement funds that are directly or indirectly related to Russia, to show solidarity with the people of Ukraine.	House Adopted on 4/5/22
<a href="#">SB 157</a> <a href="#">(ENRL)</a>	Sen. Hastings (Rep. Zalewski)	Revenue Omnibus	Transfers \$200,000,000 from the General Revenue Fund to the Pension Stabilization Fund on July 1, 2022 or as soon thereafter as practical. (The Pension Stabilization Fund is used to reduce the unfunded liabilities of the five State-funded retirement systems.) Makes other changes.	Governor Pritzker Signed into Law on 4/19/22 as Public Act 102-0700 (Senate: 55-1-0; House: 110-0-4)



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**Contact: Office of Legislative Affairs**

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**102ND GENERAL ASSEMBLY - BILLS PASSED BOTH HOUSES AND RESOLUTIONS ADOPTED - SECOND YEAR**

Bill Number	Sponsor	Short Title	Short Summary	Status
<a href="#">SB 2803</a> <a href="#">(ENRL)</a>	Sen. Holmes (Rep. Harris)	FY 2022 Supplemental	Appropriates an additional \$300 million from the General Revenue Fund to the Office of the State Comptroller for deposit into the Pension Stabilization Fund in FY 2022. (The Pension Stabilization Fund is used to reduce the unfunded liabilities of the five State-funded retirement systems.) Of the \$300 million, \$680,400 is used to reduce the unfunded liabilities of the General Assembly Retirement System; \$3,571,000 is used to reduce the unfunded liabilities of the Judges Retirement System; \$64,786,400 is used to reduce the unfunded liabilities of the State Employees' Retirement System; \$172,823,300 is used to reduce the unfunded liabilities of the Teachers' Retirement System; and \$58,138,900 is used to reduce the unfunded liabilities of the State Universities Retirement System. Makes other supplemental appropriations for FY 2022.	Governor Pritzker Signed into Law on 3/25/22 as Public Act 102-0696 (Senate: 39-16- 0; House: 68-43-0)
<a href="#">SB 2991</a> <a href="#">(ENRL)</a>	Sen. Martwick (Rep. Halpin)	SURS Initiative - Overpayment Recovery Technical Clarification	SURS initiative that codifies longstanding practices related to the recovery of overpayments that are not attributable to a mistake in benefit calculation. (Overpayments due to a mistake in benefit calculation by the System are limited to a 3-year look-back period for recovery. It has been SURS' longstanding legal interpretation and administrative practice that overpayments that are not due to a mistake in benefit calculation by the System are not limited to a 3-year look-back period for recovery.)	Governor Pritzker Signed into Law on 5/6/22 as Public Act 102- 0746 (Senate: 53-0-0; House: 103-0-0)
<a href="#">SB 3197</a> <a href="#">(ENRL)</a>	Sen. D. Turner (Rep. McCombie)	Survivor Health Benefits - Occupational Death of Employee	Establishes that, in the case of a survivor who is entitled to or currently receiving occupational death benefits pursuant to the deceased employee's applicable retirement system or death benefits pursuant to the Illinois Workers' Compensation Act, the survivor is eligible for group health insurance benefits regardless of the deceased employee's minimum vesting requirements under the applicable retirement system, with a State contribution rate of 100%, until an unmarried child dependent reaches the age of 18, or the age of 22 if the dependent child is a full-time student, or until the adult survivor becomes eligible for benefits under Medicare. Establishes that the changes made by the legislation with respect to survivors who first became survivors prior to January 1, 2022 apply upon request of the survivor on or after the effective date of the legislation. Applies to survivors of SERS and SURS employees participating in the State Employees Group Insurance Program.	Governor Pritzker Signed into Law on 4/29/22 as Public Act 102-0714 (Senate: 56-0- 0; House: 113-0-0)
<a href="#">SB 3939</a> <a href="#">(ENRL)</a>	Sen. Sims (Rep. Robinson)	FOIA - Cybersecurity Vulnerabilities Exemption	Modifies an exemption under the Illinois Freedom of Information Act to cover vulnerability assessments, security measures, and response policies or plans that are designed to identify, prevent, or respond to potential attacks upon a community's population or systems, facilities, or installations, but only to the extent that disclosure could reasonably be expected to expose the vulnerability or jeopardize the effectiveness of the measures, policies, or plans, or the safety of the personnel who implement them or the public. Provides that information exempt may include such things as details pertaining to cybersecurity vulnerabilities.	Governor Pritzker Signed into Law on 5/6/22 as Public Act 102- 0753 (Senate: 55-0-0; House: 108-0-0)



## MEMORANDUM

**To: Legal & Legislative Committee**

**From: Albert J. Lee, Associate General Counsel**

**Date: May 19, 2022**

**Re: Proposed Rulemakings**

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Legal staff hereby presents the following proposed rulemakings to the Legal & Legislative Committee for approval. At the December 2021 Board meeting, the Board approved several proposed rulemakings. Those changes have not yet been filed for First Notice. Accordingly, the following proposals will be added to those approved changes in the next round of First Notice filings. The new changes are highlighted in yellow in the enclosed exhibit to differentiate them from the previously approved changes.

**1. Technical Changes to Excess Benefit Arrangement Rule to Enhance Compliance with IRS Regulations (80 Ill. Adm. Code § 1600.430)**

The proposed changes to the Excess Benefit Arrangement (EBA) rule concerns changes that will enhance SURS' compliance with the Internal Revenue Code and IRS guidance concerning such arrangements. The EBA, authorized by Section 1-116 of the Illinois Pension Code, permits SURS to pay benefits that would have otherwise been capped by Section 415(b) of the Internal Revenue Code. EBA benefits are not paid from the SURS qualified trust but are paid from State funds on a pay-as-you-so basis. The proposed rule changes clarify that participating in the EBA by the participant or surviving spouse is mandatory and automatic and ends when benefits are no longer capped by Section 415(b) or when benefits cease. The proposed rule changes add language that specify that the EBA is established under an unfunded grantor trust, thereby clearly separating it from the SURS qualified trust. The proposed changes also add detail on SURS' practice in EBA administration.

**2. Change to Overpayment Recovery Rules to Conform to Public Act 102-746 (80 Ill. Adm. Code § 1600.450)**

Public Act 102-746, effective May 6, 2022, permits SURS to seek overpayment recovery from the estate of the recipient where the benefit overpayment was for any reason other than a mistake in benefit calculation. The proposed rule change adds the references to the recipient's estate.

**3. Clarification of Bias or Conflict of Interest of a Claims Panel Member (80 Ill. Adm. Code § 1600.500)**

The need for a rule change concerning conflicts of interest and bias involving Claims Panel members arose during a recent member appeal in which the Executive Director had some

prior involvement in the disposition of the claim at the staff level. The Executive Director ended up recusing herself from the hearing and will not be signing the Claims Panel's findings and recommendations. However, the incident highlighted the need for a rule that provided more parameters concerning conflicts of interest and bias for Claims Panel members, especially the Executive Director, who may have had prior dealings with the case under appeal. The proposed rule change adds familiarity with the facts of the case and non-dispositive involvement in the staff decision as circumstances that, standing alone, do not constitute bias or conflict of interest.

*A Hearing Officer or other member of the Claims Panel may be disqualified on grounds of bias or conflict of interest. A motion to disqualify a Hearing Officer or other member of the Claims Panel for bias or conflict of interest shall be made to the Hearing Officer by any party to the hearing within 14 days after the issuance of the notice of the hearing, with a copy of the motion to be simultaneously submitted to the SURS General Counsel. The motion shall be heard, considered and ruled upon by the Hearing Officer at or prior to the commencement of the hearing. The movant shall have the burden of proof with respect to the motion to disqualify. ~~Either a~~An adverse ruling, familiarity with the facts of the case, non-dispositive involvement in the staff decision underlying the case, or the fact that a Hearing Officer or other member of the Claims Panel is a SURS trustee, employee of SURS, or has a contract with SURS, standing alone, shall not constitute bias or conflict of interest. [5 ILCS 100/10-30]*

80 Ill. Adm. Code § 1600.500(g)(4)(A).

**4. Exception for *Ex Parte* Communications Between SURS Staff and the Executive Director Concerning Bias or Conflict of Interest (80 Ill. Adm. Code § 1600.500)**

The proposed rule change permits SURS staff to engage in communications with the Executive Director to determine the extent to which the Executive Director had prior involvement in a member appeal case. The rulemaking continues to prohibit SURS staff from communicating with any Claims Panel member regarding any issue of fact aside from matters relating to bias or conflict of interest, except upon notice and opportunity for all parties to participate.

**B) Ex Parte Communications Prohibited**

- i) *Except in the disposition of matters that SURS is authorized by law to entertain or dispose of on an ex parte basis, the members of the Claims Panel shall not, after receiving notice of a hearing in a contested matter, communicate, directly or indirectly, in connection with any issue of fact, with any party, or in connection with any other issue with any party, or the representative of any party, except upon notice and opportunity for all parties to participate. However, an employee of SURS may communicate with other employees of SURS, and an employee of SURS or member of the Claims Panel may have the aid and advice of one or more assistants. An ex parte communication received*

*by any member of the Claims Panel shall be made a part of the record of the pending matter, including all written communications, all written responses to the communications, and a memorandum stating the substance of all oral communications and all responses made and the identity of each person from whom the ex parte communication was received. Communications regarding matters of procedure and practice, such as the format of pleadings, number of copies required, manner of service, ~~and~~ status of proceedings, and questions concerning potential conflict of interest and possible recusal are not considered ex parte communications. [5 ILCS 100/10-60]*

80 Ill. Adm. Code § 1600.400(g)(4)(B).

**Staff Recommendation: That the Legal & Legislative Committee approve the proposed rulemakings substantially as presented for First Notice filing under the Illinois Administrative Procedure Act.**

**EXHIBIT**  
**Proposed Rulemakings**

**Section 1600.430 Excess Benefit Arrangement**

- a) The Excess Benefit Arrangement of the State Universities Retirement System of Illinois (Arrangement) is adopted effective January 1, 1995. The Arrangement is established and maintained by SURS solely for the purpose of providing benefits for certain of its participants who participate in SURS **and whose benefits are limited in excess of the limitations on benefits imposed** by section 415 of the Internal Revenue Code **(IRC)** (26 USC 415) **on plans to which that section applies**.
- b) The Arrangement is adopted pursuant to the authority granted to SURS by Section 1-116 of the Code.
- c) This Arrangement is a portion of a governmental plan (as that term is defined in IRC section 414(d) and section 3(32) of the Employee Retirement Income Security Act of 1974, as amended (29 USC 1002)) and is administered as a qualified governmental excess benefit arrangement pursuant to the provisions of IRC section 415(m).
- d) Accordingly, SURS adopts the Arrangement pursuant to the terms and provisions set forth in this subsection (d):
  - 1) Definitions. Wherever used in this Section, the following terms shall have the meanings set forth in this subsection (d)(1):
    - A) "Retirement Date" means the beginning date of the annuity payment period set forth in Section 15-135 of the Code.
    - B) "Arrangement" means the Excess Benefit Arrangement of the State Universities Retirement System of Illinois.
    - C) "Qualified Plan" means the SURS plan at Sections 15-103.1 and 15-103.2 of the Code.
    - D) "Qualified Plan Retirement Benefit" means the aggregate benefit payable to a participant pursuant to the Qualified Plan.
    - E) "Qualified Plan Surviving Spouse Benefit" means the aggregate benefit payable to the **S**urviving **S**pouse of a participant pursuant to the Qualified Plan.
    - F) "Supplemental Retirement Benefit" means the benefit payable to a participant pursuant to the Arrangement by reason of his or her termination of employment with any employer for any reason other than death.
    - G) "Surviving Spouse" means a person as defined at Section 15-127 of the Code.

- H) "Supplemental Surviving Spouse Benefit" means the benefit payable to a Surviving Spouse pursuant to the Arrangement.
- I) "Limitation Year" means that period for which all calculations and determinations of benefits and contribution limits will be made under IRC section 415 and the Arrangement. The Limitation Year shall be the calendar year.
- 2) Eligibility. A participant who is eligible to receive a Qualified Plan Retirement Benefit, the amount of which is reduced by reason of the application to the Qualified Plan of the limitations on benefits imposed by ~~application of~~ IRC section 415, as in effect on the date of commencement of the Qualified Plan Retirement Benefit, or as in effect at any time thereafter, to the Qualified Plan shall be eligible to receive a Supplemental Retirement Benefit. The Surviving Spouse of such a participant shall be eligible to receive a Supplemental Surviving Spouse Benefit. Participation in the Arrangement by a participant or Surviving Spouse shall be mandatory and automatic upon eligibility to receive a Supplemental Retirement Benefit or Supplemental Surviving Spouse Benefit, as applicable. Participation shall end for any portion of a Limitation Year in which the Qualified Plan Retirement Benefit or the Qualified Plan Surviving Spouse Benefit is not limited by application of IRC section 415 or if all benefit obligations under the Arrangement to the participant or Surviving Spouse have been satisfied.
- 3) Supplemental Retirement Benefit
- A) Amount. The amount described in subsections (d)(3)(A)(i) and (ii) shall be computed annually, based upon a Limitation Year. The Supplemental Retirement Benefit payable to an eligible participant shall be a monthly amount equal to the difference between subsections (d)(3)(A)(i) and (ii).
- i) The monthly amount of the Qualified Plan Retirement Benefit to which the participant would have been entitled under the Qualified Plan if the benefit were computed without giving effect to the limitations on benefits imposed by IRC section 415 ~~to plans to which that section applies~~; LESS
- ii) The monthly amount of the Qualified Plan Retirement Benefit actually payable to the participant under the Qualified Plan.
- B) Form of Benefit. The Supplemental Retirement Benefit payable to a participant shall be paid in the same form under which the Qualified Plan Retirement Benefit is payable to the participant. The participant's election under the Qualified Retirement Benefit as to form (with the valid consent of the Surviving Spouse when required under the Qualified Plan) shall also be applicable to the payment of a Supplemental Retirement Benefit.
- C) Commencement of Benefit. Payment of the Supplemental Retirement Benefit to a participant shall commence on the same date as payment of the

Qualified Plan Retirement Benefit to the participant commences **or as soon as administratively practicable thereafter**. Any election under the Qualified Plan made by the participant with respect to the commencement of payment of a Qualified Plan Retirement Benefit shall also be applicable with respect to the commencement of payment of the Supplemental Retirement Benefit.

4) Supplemental Surviving Spouse Benefit

- A) Amount. If a participant dies under circumstances in which a Qualified Plan Surviving Spouse Benefit is payable to his or her **Surviving spouse**, **and the Qualified Plan Surviving Spouse Benefit is limited by application of IRC section 415**, then a Supplemental Surviving Spouse Benefit is payable to the **Surviving Spouse** as provided in this subsection (d)(4)(A). The **monthly amount of the** Supplemental Surviving Spouse Benefit payable to a **Surviving Spouse** shall be **a monthly amount** equal to the difference between subsections (d)(4)(A)(i) and (ii).
- i) The monthly amount of the Qualified Plan Surviving Spouse Benefit to which the surviving spouse would have been entitled under the Qualified Plan if that benefit were computed without giving effect to the limitations on benefits imposed by application of IRC section 415 **to plans to which that section applies**; LESS
- ii) The monthly amount of the Qualified Plan Surviving Spouse Benefit actually payable to the **Surviving Spouse** under the Qualified Plan.
- B) Form and Commencement of Benefit. A Supplemental Surviving Spouse Benefit shall commence and be payable in the same manner as the Qualified Plan Surviving Spouse Benefit is paid.

5) Administration of the Arrangement

- A) Administration by SURS. SURS shall be responsible for the general operation and administration of the Arrangement and for carrying out the provisions of the Arrangement. SURS shall have the authority to interpret the Arrangement and to issue such policies with respect to the Arrangement as it deems appropriate. SURS shall have the duty and responsibility to maintain records and to make calculations and determinations of benefits under the Arrangement. SURS regulations, interpretations, determinations, and calculations shall be final and binding upon all persons and parties concerned.
- B) General Powers of Administration. All provisions set forth in the Qualified Plan with respect to the administrative powers and duties of SURS, expenses of administration, and procedures for filing claims shall also be applicable with respect to the Arrangement, including, but not limited to, the provisions of Sections 15-185, 15-186.1, 15-187, 15-190, and 15-191 of the Code. SURS shall be entitled to rely conclusively upon all tables,

valuations, certificates, opinions, and reports furnished by any actuary, accountant, controller, counsel, or other person employed or engaged by SURS with respect to the Arrangement.

6) Amendment or Termination

- A) Amendment or Termination. SURS reserves the right to amend or terminate the Arrangement when, in the sole opinion of SURS, amendment or termination is advisable. Any amendment or termination shall be made pursuant to a resolution of the Board and shall be effective as of the date set forth in the resolution.
- B) Effect of Amendment or Termination. No amendment or termination of the Arrangement shall directly or indirectly deprive any current or former participant or **s**Surviving **S**spouse of all or any portion of any Supplemental Retirement Benefit or Supplemental Surviving Spouse Benefit payment that has commenced prior to the effective date of the amendment or termination or that would be payable if the participant terminated employment for any reason, including death, on that effective date.

7) General Provisions

A) Funding. A trust fund is hereby established as a valid trust under the law of the State of Illinois, as a grantor trust of which the State of Illinois is the grantor, within the meaning of subpart E, part I, subchapter J, chapter I, subtitle A of the IRC, and will be construed accordingly. This trust fund is separate and apart from the Qualified Plan trust fund to hold contributions of the State to pay benefits under the Arrangement. No assets of the Qualified Plan trust fund shall be transferred to the Arrangement or otherwise used to pay benefits under the Arrangement, and the trust funds must be accounted for separately. All assets held in the Arrangement's trust fund, including all State contributions, all property and rights acquired or purchased with these amounts and all income attributable to such amounts, will be, and remain, the general, unpledged, unrestricted assets of the Arrangement's trust fund, and will be subject to the claims of the State's general creditors under federal and State law in the event of insolvency, to the extent of the State's undistributed contributions, if any. Nothing herein will be construed to create an irrevocable trust of any kind. Income accruing to the trust fund under the Arrangement constitutes income derived from the exercise of an essential governmental function upon which the trust fund is exempt from tax under IRC Section 115, as well as IRC Section 415(m)(1).

The Arrangement at all times shall be entirely unfunded and no provision shall at any time be made with respect to segregating any assets of SURS, of the State of Illinois, or of any employer for payment of any benefits under the Arrangement. No participant, **S**surviving **s**Spouse, or any other person shall have any **preferred claim on, or any beneficial** interest in, any assets

of the Arrangement's trust fund, SURS, the State, or any employer by reason of the unsecured right to receive a benefit under the Arrangement.

SURS will determine an amount necessary to pay the Supplemental Retirement Benefits and Supplemental Surviving Spouse Benefits for each Limitation Year. The State will make monthly contributions to the Arrangement's trust fund based upon SURS' determination. Under no circumstances will the State's contributions to the Arrangement's trust fund be credited to or commingled with contributions paid into and accumulated in the Qualified Plan.

No election is provided at any time to a participant or Surviving Spouse, directly or indirectly, to defer compensation or otherwise make contributions under the Arrangement.

- B) General Conditions. Except as otherwise expressly provided in this Section, all terms and conditions of the Qualified Plan applicable to a Qualified Plan Retirement Benefit or a Qualified Plan Surviving Spouse Benefit shall also be applicable to a Supplemental Retirement Benefit or a Supplemental Surviving Spouse Benefit payable under the Arrangement. Any Qualified Plan Retirement Benefit or Qualified Plan Surviving Spouse Benefit, or any other benefit payable under the Qualified Plan, shall be paid solely in accordance with the terms and conditions of the Qualified Plan and nothing in the Arrangement shall operate or be construed in any way to modify, amend or affect the terms and provisions of the Qualified Plan.
- C) No Guaranty of Benefits. Nothing contained in the Arrangement shall constitute a guaranty by SURS, the State, any employer, or any other entity or person that the assets of any such entity will be sufficient to pay any benefit under the Arrangement.
- D) No Enlargement of Participant Rights. No participant or Surviving Spouse shall have any right to a benefit under the Arrangement except in accordance with the terms of the Arrangement. Establishment of the Arrangement shall not be construed to give any participant the right to be retained in the service of any employer.
- E) Applicable Law. The Arrangement shall be construed and administered under the laws of the State of Illinois.

(Source: Amended at 32 Ill. Reg. 16515, effective September 25, 2008)

### **Section 1600.450 Overpayment Recovery**

Purpose. Under Section 15-186.1 of the Code, SURS may recover amounts overpaid from the recipient and/or the recipient's estate (collectively, "recipient"), plus interest at the effective rate from the date of overpayment to the date of recovery, either directly or by deducting that amount

from the remaining benefits payable to the recipient at a rate determined prudent and in the best interests of the System. This Section establishes procedures by which SURS' authority to collect overpayments under Section 15-186.1 is to be exercised.

- a) Demand and Statements. SURS will provide the overpaid recipient with a written demand upon discovery of the overpayment. The written demand shall specify the total amount of the overpayment, the month or months in which the overpayment occurred, a description of the nature of the overpayment, the interest rate to be assessed, and the option for installment payments or deduction from future benefits. The written demand shall also notify the recipient of the right to appeal and receive a hearing concerning the determination of overpayment status in accordance with Section 1600.500. SURS will send the recipient monthly statements indicating the overpayment balance and any installment balances and shall continue sending monthly statements until the total amount is fully repaid or SURS acts under subsection (c).
- b) Interest. Interest will compound monthly at 1/12 the current effective rate of interest per month starting 35 days after the date of issuance of the written demand until collection is completed. Notwithstanding the foregoing, interest accrual shall be suspended during the pendency of a request for review of the overpayment under Section 1600.500. However, if the recipient does not prevail under administrative review, interest shall apply retroactively to the date 35 days after the date of issuance of the written demand until collection is completed.
- c) Actions for Recovery. If the recipient has not begun repayment or has not filed an appeal within 35 days after the written demand, or a final non-appealable decision in favor of SURS issued subsequent to an appeal, SURS may take any, or any combination, of the following actions, as SURS deems appropriate and prudent, to collect the overpayment:
  - 1) Deduct from benefits, refunds and credits payable to the **participant, annuitant or beneficiary/recipient**. Under Section 15-185 of the Code, the Board may deduct from any benefit payable to participants, annuitants, survivors and beneficiaries amounts owed to SURS due to the participant's service. SURS may recover overpayments from any benefit payable due to the participant's service, including annuity benefits, survivor benefits, separation refunds, disability benefits and death benefits. If anyone receiving a benefit due to the participant's service is overpaid, the overpayment may be recovered from any current or future benefits paid to the same person or any other person receiving benefits due to the participant's service;
  - 2) Engage a private collections agent;
  - 3) Initiate proceedings to obtain a civil judgment by attorneys retained by SURS or through the Attorney General; ~~and/or~~

- 4) Refer the overpayment to the Debt Collection Bureau of the Illinois Department of Revenue and/or the Illinois Debt Recovery Offset Portal (IDROP) of the Illinois State Comptroller-;
  - 5) Coordinate collection efforts with the State of Illinois Treasurer's Office; and/or
  - 6) By and through any other means permissible by law.
- d) Maintenance of Records. Records of overpayments shall be maintained for at least 36 months, except as provided under subsection (e), and shall contain the following:
- 1) A description of the cause for the overpayment;
  - 2) Correspondence concerning attempts to collect the overpayment; and
  - 3) Evidence of notice given for a hearing and review of the overpayment and any final outcome of the hearing and review.
- e) Uncollectible Accounts Receivable. If SURS is unable to collect all or part of an overpayment after 36 months, SURS' staff may request the Board, or its duly authorized representative, to certify the overpayment balance as uncollectible and no longer to be maintained as an account receivable in SURS' records. The request shall include the documentation required under subsection (d) and confirmation that the certification would be in the best economic interest of SURS. In determining the best economic interest of SURS, staff shall determine whether the total collection cost expended or anticipated will exceed the recoupment reasonably expected. However, the following exceptions may apply:
- 1) SURS' staff may deem an overpayment balance of \$100 or less to be uncollectible 6 months after the date of the demand without certification by the Board;
  - 2) SURS' staff may request certification for an overpayment balance of more than \$100 but less than \$5,000 after collection efforts have elapsed for at least 12 months.
- f) Reopening Uncollectible Accounts Receivable. Overpayments certified by the Board as uncollectible may be reopened for collection if the SURS' staff determines that it is in the best economic interest of SURS to do so.
- g) Past Overpayments. Overpayments incurred prior to January 1, 2008 may be certified as uncollectible under subsection (e) notwithstanding the lack of any of the documentation required under subsection (d).

(Source: Amended at 38 Ill. Reg. 16375, effective July 17, 2014)

### **Section 1600.500 Administrative Staff Determinations and Rules for Appeal – Nature and Requirements of Formal Hearings**

- a) **Administrative Determination**  
The Board of Trustees hereby delegates to the SURS administrative staff the responsibility for the daily claims-processing function of SURS, including making initial determinations as to all applications for annuities and benefits, service credit, or any other claims against or relating to SURS, consistent with the provisions of the Illinois Pension Code.
- b) **Review by ~~Director of Member Services~~Senior Claims Management**  
Any participant, annuitant or beneficiary adversely affected by the disposition of a claim by the administrative staff may file a written request for review by ~~the a member of the SURS Director of Member Services~~senior claims management or such other person as may be designated by the Executive Director. ~~The designee shall have all the powers and duties of the Director of Member Services, as set forth in this subsection (b).~~ A request for review by the ~~Director of Member Services~~member of senior claims management must be received within 35 days from the date of the decision from which review is sought. The ~~Director of Member Services'~~ review will be based upon all materials contained in the file, as well as any additional materials the claimant attaches to the written request for review, ~~filed with the Director of Member Services pertaining to the claim.~~ All filings or submissions, whether optional or required under this Section, shall be considered timely if date stamped by SURS within the time prescribed. The ~~Director of Member Services'~~ decision reached by senior claims management or the Executive Director's designee shall be served on the participant, annuitant or beneficiary by delivery to a third-party commercial carrier or by registered or certified mail, return receipt requested.
- c) **Review by the Claims Panel**
  - 1) A Claims Panel shall hear all administrative contested matters. The Panel shall meet periodically as determined by the Executive Director.
  - 2) **Request for Review.** Any participant, annuitant or beneficiary (hereinafter "claimant") adversely affected by the disposition of a claim by the ~~Director of Member Services~~member of senior claims management or the Executive Director's designee may request, in writing, a review by the Claims Panel and, at the same time, a copy of all relevant documents from the claimant's file. A request for review must be received by the General Counsel of SURS, or his or her designee, within 35 days from the date of the decision from which review is sought.

- 3) Notice of Hearing. Upon receipt of a claimant's Request for Review, ~~the Director of Member Services, or his or her designee,~~ SURS shall assign the claim a docket number; schedule the claim for the first available meeting of the Claims Panel; and notify the claimant, by a Notice of Hearing, that he or she is required to file a single Statement of Claim. The Notice of Hearing may be accompanied by any relevant documentation from the claimant's file.
- 4) Statement of Claim. The Statement of Claim must be received by the SURS General Counsel, or his or her designee, no later than 35 days from the date of the mailing of the Notice of Hearing. The Statement of Claim shall include: a formal Appearance, containing the claimant's name, SURS identification number and address; the name and address of the claimant's authorized representative, if any; a statement of the facts forming the basis for the appeal; any documents or other materials the claimant wishes to be considered in conjunction with the appeal, in addition to those already contained in the claimant's file; whether the claimant desires a hearing or whether the claimant desires to waive a hearing and allow the Claims Panel to reach a decision based upon the Statement of Claim and the relevant documents in the claimant's file; a list of witnesses, if any, the claimant intends to present at a hearing; and an explanation of the relief sought. The Statement of Claim shall not exceed 15 pages in length, unless an exception is granted by the Claims Panel Hearing Officer. The Hearing Officer may grant a motion to Strike/Dismiss all or part of the Statement of Claim.
- 5) Response to Statement of Claim. SURS staff may submit a Response to the Statement of Claim, which shall also not exceed 15 pages in length, unless an exception is granted by the Claims Panel Hearing Officer.
- 6) Notification. The Notice of Hearing shall also provide a claimant *with written notice of: the date, time and place of the hearing; the subject matter of the hearing; and relevant procedural and substantive statutory and regulatory provisions* [5 ILCS 100/10-25]. The Notice shall inform the claimant that he or she will be afforded the opportunity to provide a statement of his or her position, present oral evidence, and conduct examination and cross-examination of witnesses as necessary for full and true disclosure of the facts. Notice shall also be given to the claimant that he or she is required to provide written confirmation, at least 14 days prior to the scheduled date of the hearing, of his or her intent to appear at the hearing, whether in person or by telephone conference call. The claimant is not required to physically appear at the hearing. The claimant may appear at the hearing by telephone conference call. The claimant may also choose to affirmatively waive his or her appearance at the hearing. In the absence of the claimant, the Claims Panel will consider the claimant's Statement of Claim and any documentary evidence, testimony evidence,

argument and any other information properly presented to the Claims Panel by SURS staff during the scheduled hearing.

- 7) Pre-hearing Conference. Upon request of the General Counsel, the claimant, or upon the decision of the Hearing Officer, a pre-hearing conference shall be held for the purpose of simplification or definition of issues or procedures at the hearing.
  - 8) Legal Representation and Other Assistance. The claimant and SURS may be represented by legal counsel and/or assisted by a designated family member or spokesperson at the hearing.
  - 9) Burden of Proof. It shall be the burden of the claimant to establish a right to the benefit claimed, or the right to the continuation of the benefit claimed in cases of revocation of the benefit by SURS, by establishing that right by a preponderance of the evidence.
- d) Discovery. All discovery is at the discretion of the Hearing Officer. Requests to take discovery must be made in writing to the Hearing Officer with notice to the other party. Discovery may be taken with the prior permission of the Hearing Officer only upon good cause shown, that is, if the evidence sought is material and cannot be obtained in any other way. Failure to comply with orders of the Hearing Officer may be sanctioned by the Hearing Officer, by means including, but not limited to, dismissal of a claim.
- e) Depositions
- 1) The Hearing Officer may order the taking of evidence depositions of a person, specifying the subject matter to be covered, under oral examination or written questions, for use as evidence at the hearing, provided:
    - A) The Hearing Officer has determined upon request that there is a need to preserve a person's testimony. The need to preserve a person's testimony shall be determined using criteria similar to that set forth under Illinois Supreme Court Rule 212(b);
    - B) The request is made on motion by a party who gives notice of the motion to the other party; ~~and~~
    - C) The Hearing Officer has determined that an evidence deposition containing oral testimony will be necessary to the Claims Panel in determining the merits of the claim; ~~and~~
    - D) The Hearing Officer shall not grant any request to take the evidence deposition of any SURS trustee, employee, or consultant

working on behalf of SURS. Requests for oral testimony at the hearing from these individuals must be filed with the Hearing Officer for determination.

- 2) The taking of depositions shall be in accordance with the provisions for taking depositions in civil cases, and the order for the taking of a deposition may provide that any deposition exhibits, designated books, papers, documents or tangible objects that are not privileged shall be produced at the same time and place by the party requesting the deposition at least 7 days in advance of the scheduled deposition.
- 3) Any party to the hearing shall, during any deposition process, have the right to confront and cross-examine any witness whose deposition testimony is to be presented to the Claims Panel.
- 4) Depositions shall be taken in the county of residence or employment of the witness, unless the witness waives that right in writing.
- 5) Depositions shall be taken at the cost of the party requesting the deposition. All deposition-related expenses shall be paid by the party requesting the deposition. The party requesting the deposition shall pay for and submit an original sealed transcript of the evidence deposition to SURS in advance of the Claims Panel hearing. The non-requesting party may order and pay for its own copy of the transcript.

f) Subpoenas

- 1) The Hearing Officer may request the Secretary of the Board to issue a subpoena to compel the attendance of a witness at an evidence deposition or the production of documents when the witness has, or the documents contain, relevant evidence. A party may also request the Hearing Officer to request the Secretary of the Board to issue a subpoena to compel the attendance of a witness at an evidence deposition or the production of documents. The request shall either be in writing or on the record and shall:
  - A) Identify the witness or document sought; and
  - B) State the facts that will be proven by each witness or document sought.
- 2) The Hearing Officer shall grant or deny the request, either in writing or on the record. If the request for subpoena is granted, the Hearing Officer shall, if necessary, reschedule the hearing to a specific date. The request for subpoena shall be denied if the Hearing Officer finds that the evidence sought is immaterial, irrelevant or cumulative. If the request for subpoena

is denied, the specific reasons for denial of the request shall be made part of the record on appeal.

- 3) If a witness fails to obey a subpoena, the party seeking enforcement of the subpoena shall prepare an application to the circuit court of the county in which the subpoenaed witness resides requesting enforcement of the subpoena, and shall present the application to the Hearing Officer, at the same time serving a copy of the application upon the other party. If satisfied that the subpoena was properly served and that the application is in proper form, the Hearing Officer shall sign a subpoena to be submitted with the application and the party seeking the subpoena may then file and prosecute the application in the circuit court, in the name of the Board. The petitioner in the application shall be styled as "Name of Petitioner ex rel. Board of Trustees of the State Universities Retirement System ~~of Illinois~~" unless the petitioner is SURS, in which case the petition shall be brought in the name of the Board. In the event of an application being filed with the circuit court, the matter shall be continued pending the outcome of the application to enforce the subpoena.
- 4) The fees of witnesses for attendance and travel shall be the same as fees of witnesses before the circuit courts of this State and shall be paid by the party seeking the subpoena.

g) Conduct of the Hearing

- 1) Hearing Officer. The hearing shall be conducted by the Hearing Officer. The Hearing Officer shall be an attorney licensed to practice law in the State of Illinois and approved by the Board. Other members of the Claims Panel may, but are not required to, attend the hearing. Members may attend hearings either in-person or by video or teleconference.
  - A) The Hearing Officer shall have full power to conduct the hearing and the presence of any other members of the Claims Panel is not required. The Hearing Officer shall be one of the members of the Claims Panel and shall be chosen by the Panel-SURS to be serve in that capacity~~the Hearing Officer.~~
  - B) The Claims Panel shall consist of:
    - i) the Executive Director of SURS;
    - ii) an attorney licensed to practice law in the State of Illinois approved by the Board; and~~the Hearing Officer; and~~
    - iii) one other person, selected by the Chairperson of the Board of Trustees of SURS, who shall be a member of the Board;

~~a participant in SURS or an attorney licensed to practice law in the State of Illinois.~~

- C) Each member of the Panel shall be reimbursed for travel or other related expenses incurred in connection with his or her duties as a member of the Panel. ~~If he or she is not a member of the Board or currently employed by one of the employers covered by SURS, the member~~ The Hearing Officer shall receive reasonable compensation and reimbursement for travel or other related expenses incurred per the terms of the contract with SURS, as recommended by the Executive Director and approved by the Board, for time spent in reviewing claims and attending Panel hearings.
- D) At a minimum, the members of the Claims Panel shall have a general familiarity with the provisions of the Illinois Pension Code, this Part and the internal operating procedures of SURS.

2) Procedures

- A) The Hearing Officer shall conduct a full and fair hearing, receive testimony of the claimant and admit exhibits into evidence, avoid delay, maintain order and make a sufficient record for a full and true disclosure of the facts and issues.
- B) To accomplish these ends, the Hearing Officer shall make all procedural and evidentiary rulings necessary for the conduct of the hearing.
- C) All testimony shall be taken under oath before an officer authorized to administer oaths by the laws of this State or of the United States or of the place where the testimony is to be given.
- D) As a general matter, *the rules of evidence as applied in civil cases in the circuit courts of the State of Illinois shall be followed; however, evidence inadmissible under those rules may be admitted (except where precluded by statute) if it is of a type commonly relied upon by reasonably prudent persons in the conduct of their affairs. Any part of the evidence may be received in written form, provided that the interests of the parties will not be prejudiced. Notice may be taken of generally recognized technical facts within SURS' specialized knowledge and SURS' experience, technical competence and specialized knowledge may be used in evaluation of the evidence.* [5 ILCS 100/10-40]

- E) The Hearing Officer, and any member of the Claims Panel attending the hearing, may ask questions necessary for better understanding of the facts or law.
- F) The Hearing Officer shall have the authority to impose reasonable time limits for each party to present its case and shall, in general, have the power to manage and control the hearing process.
- G) The hearing shall be open to the public and conducted pursuant to the Illinois Open Meetings Act [5 ILCS 120/1 et seq.] unless the Hearing Officer, for good cause shown, determines otherwise.
- 3) Record of Proceedings. ~~Two~~The records of proceedings shall be kept ~~that shall be~~ in the form of:
- - A) ~~— a non-verbatim "bystander's report"; and~~
  - 
  - B) ~~—~~ either a stenographic transcription or an tape audio recording. The claimant may directly obtain a stenographic transcription of the hearing from the stenographer or a request a copy of ~~athe~~tape audio recording of the hearing from SURS by making a timely request ~~within 21 days~~ after the close of the hearing and paying the actual cost ~~entailed~~charged by the stenographer for the transcription.
- 4) Disqualification; Ex Parte Communications
- A) Disqualification
- i) *A Hearing Officer* or other member of the Claims Panel *may be disqualified on grounds of bias or conflict of interest.* A motion to disqualify a Hearing Officer or other member of the Claims Panel for bias or conflict of interest shall be made to the Hearing Officer by any party to the hearing ~~at least~~within 14 days ~~prior to the commencement~~after the issuance of the notice of the hearing, with a copy of the motion to be simultaneously submitted to the SURS General Counsel. The motion shall be heard, considered and ruled upon by the Hearing Officer at or prior to the commencement of the hearing. The movant shall have the burden of proof with respect to the motion to disqualify. Either aAn adverse ruling, familiarity with the facts of the case, non-dispositive involvement in the staff decision underlying the case, or the fact that a Hearing Officer or other member of the Claims Panel is an SURS trustee, employee of SURS, or has a contract with

SURS, standing alone, *shall not constitute bias or conflict of interest.* [5 ILCS 100/10-30]

- ii) The Executive Director may not be called as a witness unless it is demonstrated that the Executive Director has relevant noncumulative personal knowledge of facts bearing upon the claim. The Executive Director may not be disqualified as a member of the Claims Panel on the basis that the Executive Director is responsible for the overall administration of SURS.
- iii) In the event that ~~a Hearing Officer or other~~any member of the Claims Panel is disqualified or is otherwise unable to serve, the Board Chairperson may appoint another qualified person to the Claims Panel. ~~and The Board Chairperson shall appoint another person if the Claims Panel is reduced to fewer than two members, or the Claims Panel shall appoint another Hearing Officer from among its members, as the case may be. If the Hearing Officer is disqualified or is otherwise unable to serve, SURS may retain another duly licensed attorney who may serve as the Hearing Officer.~~

B) Ex Parte Communications Prohibited

- i) *Except in the disposition of matters that SURS is authorized by law to entertain or dispose of on an ex parte basis, the members of the Claims Panel shall not, after receiving notice of a hearing in a contested matter, communicate, directly or indirectly, in connection with any issue of fact, with any party, or in connection with any other issue with any party, or the representative of any party, except upon notice and opportunity for all parties to participate. However, an employee of SURS may communicate with other employees of SURS and an employee of SURS or member of the Claims Panel may have the aid and advice of one or more assistants. An ex parte communication received by any member of the Claims Panel shall be made a part of the record of the pending matter, including all written communications, all written responses to the communications, and a memorandum stating the substance of all oral communications and all responses made and the identity of each person from whom the ex parte communication was received. Communications regarding matters of procedure and practice, such as the format of pleadings, number of copies required, manner of service, and status of*

*proceedings, and questions concerning potential conflict of interest and possible recusal are not considered ex parte communications.* [5 ILCS 100/10-60]

- ii) Any documentary evidence, testimony evidence, argument and any other information properly presented to the Claims Panel by SURS staff during a scheduled hearing held in the absence of a claimant who waived his or her right to participate in the hearing will not be deemed to be ex parte communications.
- 5) Decisions of the Claims Panel and Executive Committee
- A) Claims Panel Decisions
    - i) The record of proceedings shall be completed upon conclusion of the hearing by the Hearing Officer, unless the Hearing Officer determines to re-open the proceedings. In compliance with the Illinois Open Meetings Act, Upon upon conclusion of all evidence and arguments, the Claims Panel shall ~~privately~~ deliberate in closed session and make a Decision as to the disposition of the claim based on the evidence of record when they return to open session. The Claims Panel Decision shall be served on all parties and their agents, if any, by delivery to a third-party commercial carrier or by registered or certified mail, return receipt requested. If a Statement of Exceptions to the Decision is not filed pursuant to this subsection (g)(5)(A), the Decision is final for all purposes and not subject to administrative or judicial review. However, if a Statement of Exceptions to the Decision is filed or, if the members of the Panel are unable to agree on a Decision, then the claim shall be presented to the Executive Committee for a final administrative decision.
    - ii) If a Statement of Exceptions is filed by either party, it must be received by SURS, along with a brief in support, within 21 days after the date of mailing of the Claims Panel Decision. SURS will procure a copy of the verbatim transcript of the Claims Panel proceedings and pay the associated costs for the same. Any responsive brief filed by the opposing party shall be received by SURS within 21 days after the filing of the Statement of Exceptions. Any reply brief shall be received by SURS within 14 days after the filing of the responsive brief. The filing of any responsive or reply brief is optional. The Executive

Director, or his or her designee, shall provide the Executive Committee with a ~~summary of copy of~~ the decision of the Claims Panel. The Executive Committee will make a final administrative decision based on the Claims Panel Decision, ~~any dissenting opinion,~~ any Statement of Exceptions, and/or briefs properly filed. All filings shall be served upon the opposing party and shall contain a certificate of service. Filing deadlines in this subsection (g)(5)(A)(ii) may be continued to a date certain by the Chairperson of the Executive Committee for good cause shown on written application filed with SURS prior to the expiration of the deadline sought to be continued.

- iii) If the claim is presented to the Executive Committee because the members of the Claims Panel are unable to agree on a Decision, the Executive Committee shall make a final administrative decision based on ~~any opinions of the Claims Panel members,~~ the written record, the verbatim transcription of the proceedings, and any briefs properly filed with the Claims Panel by the ~~claimant or SURS parties.~~ SURS will procure a copy of the verbatim transcript of the Claims Panel proceedings and pay the associated costs for the same. ~~The filing of any opening, responsive or reply brief in response to the Claims Panel decision is optional. Any opening brief shall be received by SURS within 21 days after receiving notification from the Hearing Officer that the Claims Panel was unable to agree on a Decision. Any responsive brief shall be received within 21 days after the filing of any opening brief. Any reply brief shall be received within 14 days after the filing of any responsive brief.~~

~~iv) — All filings shall be served upon the opposing party and shall contain a certificate of service. Filing deadlines in this subsection (g)(5)(A) may be continued to a date certain by the Hearing Officer for good cause shown on written application filed with SURS prior to the expiration of the deadline sought to be~~  
 continueB) Executive Committee Decision

- i) When necessary pursuant to subsection (g)(5)(A), the Executive Committee of the Board shall make a decision on the claim. No oral argument shall be permitted before the Executive Committee ~~unless otherwise determined by the Executive Committee.~~

- ii) The Executive Committee shall render one of the following decisions with respect to the claim: affirmance of the administrative action, reversal of the administrative action, or remand of the case to the administrative staff for further investigation and/or consideration. Remand of the case to the administrative staff shall not be considered a final decision of the Executive Committee. A decision by the Executive Committee either reversing or affirming the decision of the administrative staff shall constitute a final decision for the purpose of review under the Administrative Review Law [735 ILCS 5/Art. III]. *A final decision of the Executive Committee shall be in writing or stated in the record.*
- iii) The Executive Committee may adopt, as its own, the findings of fact and conclusions of law of the Claims Panel. *Findings of fact, if set forth in statutory language, shall be accompanied by a concise and explicit statement of the underlying facts supporting the findings.*
- iv) *All decisions of the Executive Committee shall specify whether they are final and subject to the Administrative Review Law. [5 ILCS 100/10-50]*
- v) Parties and their agents, if any, shall be notified, ~~personally,~~ by delivery-sending the decision of the Executive Committee via a third-party commercial carrier, or by registered or certified mail, return receipt requested, ~~of any decision of the Executive Committee.~~ The date of mailing of the decision shall constitute the date of service for purposes of the Administrative Review Law or any other applicable law.

(Source: Amended at 41 Ill. Reg. 15353, effective December 5, 2017)

# MAY COMPLIANCE REPORT (2022)

Report Owner: Compliance Officer		* indicates new requirement/change in requirement			Due < 30 days	EOQ= End of Quarter	Past Due/Missed	EOM=End of Month
Department	Report	Filed With	Frequency	Statute/Rule	Last Filed	Next Due	Status	Notes
Administration	Travel Exception Report	IHETCB	Quarterly	80 IL 2900.105	4/1/2022	7/15/2022		This is due by the 15th of the month after the Q ends.
Administration	Drivers License & Insurance Certification	U of I	Annual	625 ILCS 5/7-203 & JCAR 44 Sec 5040.500	6/30/2021	6/30/2022		
Administration	Certification of Board Training Requirement	DFPR-Public Pension/Insurance Div	Annual	40 ILCS 5/1/113.18	7/6/2021	6/30/2022		
Administration	Notice of Regularly Scheduled Board Meetings	SURS Lobby and SURS website	Annual	5 ILCS 120.202	Sep-21	Dec-22		
Administration	Oath of Office	Internal	Ad Hoc	40 ILCS 5/15-159(h)	As needed	As needed		
Administration	Disclosure of Appointee Interest in State Contracts	SOS	Ad Hoc	5 ILCS 420/3A.30	As needed	As needed		
Administration	Trustee Indemnification Agreements	Internal & Fiduciary Council	Ad Hoc	40 ILCS 5/1-107 & Board Governance Bylaws 1.1	As needed	As needed		
Administration	iPad User Agreements	Internal	Ad Hoc	Internal Requirement	As needed	As needed		
Audit	Deceased Annuitant Reporting	Internal	Quarterly	30 ILCS 805/8.40	3/10/2022	6/30/2022		
Audit	Fiscal Year Audit Completion Report	Internal - Filed with the Executive Director	Annual	Fiscal Control & Auditing Act	9/9/2021	9/30/2022		
Audit	FCIAA Internal Control Certification	Auditor General	Annual	FCIAA	4/29/2022	5/1/2023		
Audit	Two Year Audit Plan	Internal/ ED approval/A & R Committee	Annual	30 ILCS 10/2003	6/30/2021	6/30/2022		
Audit	Submission of System Audit (due after FY end)	Governor - submitted by SURS and by the Auditor General	Annual	State Auditing Act and 30 ILCS 5/3-14 and 40 ILCS 5/15-174	FY21 - 5/19/2022	FY22		
Finance	GAAP	Comptroller	Annual (by 10/15)	PA 097-1055/ Financial Reporting Standards Board Act	Prelim filed 9/24/2021 - Final due when final numbers are done - final filed 10/22/2021	10/15/2022		
Finance	Public Accountability Report	Comptroller	Annual (by 11/15)	SAMS	12/15/2021	12/15/2022		
Finance	IRS Form 941-Employer Fed Tax Return Form	IRS	Quarterly	IRS CODE	4/12/2022	7/31/2022		
Finance	IRS Form 945 Annual Return of Withheld Federal Tax	IRS	Annual	IRS Code	1/31/2022	1/31/2023		
Finance	Cash Receipts and Disbursement Reports	Comptroller	Quarterly	SAMS	5/2/2022	7/31/2022		4/30 = Saturday; so this was not due until Monday 5/2
Finance	Agency Fixed Asset Report	Comptroller	Quarterly	SAMS	4/26/2022	7/31/2022		
Finance	Accounts Receivable	Comptroller	Quarterly	SAMS	4/29/2022	7/31/2022		
Finance	Report on SMP Participation Rate	COGFA	Annual	40 ILCS 5/15-158.3	10/26/2021	11/15/2022		
Finance	Cert. of State Contribution and CIP	Governor, CMS, and Comptroller	Annual (final by 1/15)	40 ILCS 5/14A	12/14/2020	1/15/2023		
Finance	Department of Insurance Report	Pension Division of Illinois Dept. of Ins.	Annual	40 ILCS 5/1A-109	12/28/2021	12/31/2022		
Finance	IRS Form 1099R (FIRE)	IRS	Annual	IRS CODE	3/30/2022	4/30/2023		
Finance	IRS 1042: Withholding US income of Foreign Persons	IRS	Annual	IRS CODE	4/19/2022	3/15/2023		Extn. Received - filed in April
Finance	Report on Voluntary Deductions	Comptroller	Annual (by 3/31)	5 ILCS 340/8	1/14/2022	3/31/2023		
Finance	Comptroller Agency Invoice	Comptroller	Annual	PA 98-0228	9/21/2017	No longer required		By law, we file monthly Debt Transparency Reports instead.
Finance	Fee Imposition Report	to Comptroller who sends to Gen. Assembly by 9/1	Annual - to Comptroller by 7/31; Comptroller to GA by 9/1	15 ILCS 405/16.2	7/13/2021	7/31/2022		
Finance	5 year review of 90% funding target	COGFA	5 years	40 ICLS 1-103.3	10/27/2021	12/31/2026		The ED sends a letter to COGFA on this issue.
Finance	Certification of Overpayments	Internal and Board of Trustees	Determined Internally	80 Ill Adm. Code Sec.1600.450	As needed	As needed		
Finance	IRS W-3	IRS	Annual	IRS Code	1/21/2022	1/31/2023		
Finance	Information to COGFA	COGFA	Ad Hoc/At will	40 ILCS 5/22-803	As needed	As needed		
Finance	Debt Transparency Report	Comptroller	Monthly (due on the 10th)	30 ILCS 105/9.08	5/2/2022	6/10/2022		

# MAY COMPLIANCE REPORT (2022)

Finance	Illinois Revised Unclaimed Property Act	Treasurer's Office	Annual report due 11/1	765 ILCS 1026/15-403	6/10/2021*	11/1/2022		*Partial information provided. Additional data will be forthcoming to supplement our initial report.
Finance/Mem Serv Finance/Mem Serv	Fin. Stmt to Participants/ Serv. Cred Stmts Reports to Reciprocals	Annuitants Recip Systems	As requested As requested	40 ILCS 5/15-175 40 ILCS 5/20-126	Ongoing Ongoing	ongoing ongoing		
Human Resources	Separation Report	State Universities Civil Service System	Monthly (w/n 10 days EOM)	Civil Service Rule 250.30	5/6/2022	6/10/2022		
Human Resources	Monthly Wage Report	IDES taxnet Online	Monthly (EXCEPT 1/4/7/10)	IDES PA 97-0689	5/6/2022	6/30/2022		
Human Resources	Form UI-3	IDES taxnet Online	Quarterly (1/31, 4/30, 7/31/10/31)	IDES PA 97-0689	4/12/2022	7/31/2022		
Human Resources	Report of Employee Served	State Universities Civil Service System	Quarterly (w/n 10 days EOQ)	Civil Service Rule 250.30	4/1/2022	7/10/2022		
Human Resources	Exempt Employees Report	State Universities Civil Service System	Quarterly	110 ILCS 70/36e	4/1/2022	7/31/2022		
Human Resources	Occupational Ethnic and Gender Report	State Universities Civil Service System	Quarterly (w/n 10 days EOQ)	Civil Service Rule 250.3.1	4/1/2022	7/31/2022		
Human Resources	Agency Workforce Report	Secretary of State; Office of Governor	Annual	5 ILCS 410/20	12/27/2021	12/31/2022		
Human Resources	TA-2	Legislative Audit Commission	Bi-Annually	St. Fin. Act 30 ILCS 105/12-3	1/4/2022	7/31/2022		
Human Resources	I-9 Eligibility	Internal In File	Ad Hoc w/n 20 days of hire	Dept. Homeland Security	Time of Hire	As needed		
Information Technology	Data Breach Report - Personal Info Protection Act	Notice to resident "in the most expedient time possible and without unreasonable delay."	Ad Hoc	815 ILCS 530/10	Eff. 1/1/20	As needed		
Human Resources	SSA 1945	Internal In File	Ad Hoc w/n 20 days of hire	SSA	Time of Hire	As needed		
Investments	Investment Update Report	Online Surs.org	75 days after month end	Internal procedure - monthly	Feb posted 4/4/22	March due 5/15/2022		These reports are often delayed - waiting for private equity information
Investments Investments	Investments Information Report - Monthly Report to Gov. on MWDB Firms/HR/Vendors	Online Surs.org Governor	Monthly (by the 15th) Annual	30 ILCS 237/10 PA 93-0499 40 ILCS 5/1-109	5/13/2022 12/9/2021	6/15/2022 1/1/2023		These are filed in the same document with the item below. Both statutes, as written, are impossible to meet. Auditors have accepted 1/31 as the due date.
Investments	Consultant Report on MWDB searches*	SURS Board of Trustees	Annual	40 ILCS 5/1-113.22	Both - 12/16/21	1/1/2023		
Investments	Consultant Report on Economic Opportunities*	SURS Board of Trustees	Annual	40 ILCS 5/1-113.23	Both - 12/16/21	1/1/2023		
Investments	Quinquennial Rep. US Owned Foreign Securities**	Federal Reserve Bank	Only upon request 5 years	22 USC Sec 3101	2012	Not due until 2022		*req. threshold for reporting not met for 2018. Next reporting year = 2022 and only if we meet the reporting threshold.
Investments Investments Investments	Restricted Companies Divestiture Reporting* Illinois Finance Entity/High Risk Home Loan Act Cert. Invest in Illinois	Illinois Investment Policy Board DFPR-Public Pension/Insurance Div Governor	Annual Annual Annual	40 ILCS 5/1-110.16 40 ILCS 5/1-110.10 PA 96-0753	3/24/2022 8/20/2021 8/31/2021	4/1/2023 9/30/2022 9/1/2022		
Investments	Annual SEC ADV's from Financial managers	SEC	Annual-120 days from FY end	US Investment Advisors Act of 1940	Ongoing	Ongoing		*not all managers are required to file by 4/1
Investments Investments Investments Investments	Investment Manager Fee Disclosure - DB and DC Fees Written Investment Policies IS Policy Exemptions, Forms and Contract Summaries Qualified FOF Mgmt. Services Contract Summaries Annual Certification of Fiduciary Duty and Insurance	SURS.org website Illinois Department of Insurance Illinois Procurement Policy Board SURS.org website Internal on file	Quarterly Ad Hoc Ad Hoc Ongoing Annual	40 ILCS 5/1-113.14 40 ILCS 5/1-113.6 40 ILCS 5/1-113.14 40 ILCS 5/1-113.15 contract provision	2/35/2022 As needed As needed As needed 8/31/2021	6/30/2022 As needed As needed As needed 9/1/2022		

# MAY COMPLIANCE REPORT (2022)

Investments	Investment Policy - Initial Filing and Updates	Illinois Department of Insurance	Ad Hoc	40 ILCS 5/1-113.17	9/28/2021	w/30 days of update	New statute requires inv. policy to include sustainability factors
Investments	Illinois Sustainable Investing Act - Inv. Policy New Requirements (eff. 1-1-2020)	Illinois Department of Insurance	Ad Hoc	30 ILCS 238 and 40 ILCS 5/1-113.17	1/31/2020	w/30 days of update	
Legal & Ethics	Anti-Discrimination and Harassment Training for Lobbyists	OEIG	Annual	25 ILCS 170/4.7	No longer required	No longer required	
Legal & Ethics	Ethics Training for Registered Lobbyists	Secretary of State	Annual	25 ILCS 170/4.5	No longer required	No longer required	
Legal & Ethics	Lobbying Expenditure Report (20th)	Secretary of State	Monthly	25 ILCS 170/6	No longer required	No longer required	
Legal & Ethics	Lobbyist Registration Act Exemption Letter	Secretary of State	Annual	25 ILCS 170/3(a)(4 and 5) and 2 Ill. Admin. Code Sec. 560.210(e-f)	1/27/2021	No longer required	
Legal & Ethics	Lobbying Expenditure Report (5th)	Secretary of State	Monthly	25 ILCS 170/6	No longer required	No longer required	
Legal & Ethics	Statement of Economic Interests (Board and Execs)	Secretary of State	Annual	5 ILCS 420/4A-101	5/5/2022	5/1/2023	
Legal & Ethics	Annual Ethics Training for Trustees	Internal-Cert of Completion by ED to Division of Insurance of the Department of Financial and Professional Regulation	Annual (to be completed by 6/30)	5 ILCS 430/5-10	7/6/2021	6/30/2022	
Legal & Ethics	Ethics Training Plan/Ethics Training State Employees- Part 1- staff only online	SURS Internal Auditor - OEIG at end of year	Annual	5 ILCS 430/5-10	6/30/2021	6/30/2022	
Legal & Ethics	ARDC Registration	ARDC	Annual	128 Ill.2d 351, 538 NE 2d 1152	12/31/2021	12/31/2022	
Legal & Ethics	FOIA Officer Training & Annual Certification	IAG	Annual	5 ILCS 140/3.5	Dec-21	12/31/2022	
Legal & Ethics	Ethics Officer Designation Notice	IL Executive Ethics Commission	As Needed/Ad Hoc	2 IL 1620.83	As needed	as needed	
Legal & Ethics	Revolving Door Policy Sign off	Executive Inspector General	As Needed/Ad Hoc	5 ILCS 430/5-5-45	Time of Hire	As needed	
Legal & Ethics	Ex Parte Communications Reports	Executive Ethics Commission	As Needed/Ad Hoc	5 ILCS 430/5-50	9/13/2017	As needed	
Legal & Ethics	OMA Trustee Training	IAG	One Time	5 ILCS 120/1.05	current various dates	As needed	
Legal & Ethics	QILDRO Forms Electronically Available	SURS.org website	Ongoing requirement	40 ILCS 5/1-119	current	as updated	
Legal & Ethics	OMA Officer Training	IAG	Annual	5 ILCS 120/1.05	12/31/2021	12/31/2022	
Legal & Ethics	Annual Completed Ethics Training and Reporting- Staff and Board -online & paper format	OEIG	Annual	5 ILCS 430/5-10	12/31/2021	12/31/2022	
Legal & Ethics	Ethics Orientation for State of Illinois Employees-Paper	OEIG	W/n 30 days of hire	5 ILCS 430/5-10	As needed	As needed	
Legal & Ethics	Cybersecurity Training for Staff and Trustees	Dept. of Innovation and Technology	Annual	20 ILCS 450/25	12/31/2021	12/31/2022	
Legal & Ethics	Sexual Harassment Training for Staff and Trustees	OEIG	Annual	5 ILCS 450/5-10.5	12/31/2021	12/31/2022	
Legal & Ethics	Anti-Discrimination and Harassment Training for Staff and Trustees	OEIG	Annual - & w/in 30 days of commencing elected or appointed position/office	5 ILCS 430/5-10.5	12/31/2021	12/31/2022	

## ILLINOIS REGISTER

## STATE UNIVERSITIES RETIREMENT SYSTEM

## JULY 2022 REGULATORY AGENDA

a) Part (Heading and Code Citation): Universities Retirement (80 Ill. Adm. Code 1600)

1) Rulemaking:

A) Description: The System anticipates rulemaking affecting the following:

Amend Section 1600.150 (Group Trust Provisions) to expressly include the Retirement Savings Plan disability benefit program as a participating trust in the Group Trust and to update the reference to the Self-Managed Plan to the Retirement Savings Plan.

Amend Section 1600.270 (Employer Contributions for Benefit Increases Resulting from Earnings Increases Exceeding 6%) to add exclusion concerning any earnings increase resulting from overload work performed in an academic year subsequent to an academic year in which the employer was unable to offer or allow to be conducted overload work due to an emergency declaration limiting such activities under 40 ILCS 5/15-155(h-5).

Amend Section 1600.420 (Making Preliminary Estimated Payments) to include procedures for holding payments when the member has not responded to informational requests, and to suspend the benefit after a period of non-compliance with the request.

Amend Section 1600.430 (Excess Benefit Arrangement) to make changes to enhance compliance with the Internal Revenue Code.

Amend Section 1600.450 (Overpayment Recovery) to make changes conforming to Public Act 102-0746, effective 5/6/2022 that allows SURS to recover overpayments from payments made to estates, from the Illinois Treasurer's Office of Unclaimed Property and from any other legal means available. Rule changes will also address *de minimis* revisions to benefit calculations and deductions for overpayments of less than \$100.

Amend Section 1600.460 (Accelerated Pension Benefit Payment In Lieu of Any Pension Benefit) to reflect the extended deadline of June 30, 2026 as referenced in Public Act 102-718, effective May 5, 2022.

## ILLINOIS REGISTER

## STATE UNIVERSITIES RETIREMENT SYSTEM

## JULY 2022 REGULATORY AGENDA

Amend Section 1600.461 (Accelerated Pension Benefit Payment for a Reduction and Delay in AAI) to reflect the extended deadline of June 30, 2026 as referenced Public Act 102-718, effective May 5, 2022.

Amend Sections 1600.500 (Administrative Staff Determinations and Rules for Appeal - Nature and Requirements of Formal Hearings) and 1600.510 (Employer-Related Determinations and Rules for Appeal) to consolidate the appeals process for member claims and employer appeals under the Claims Panel, and to provide specific language regarding grounds for disqualification of any member of the Claims Panel, and to clarify that employee-to-employee communications to inquire about bias or conflicts of interest are not *ex parte* communications.

Promulgate rules to establish acceptable documentary evidence for demographic information such as birth dates and marital status.

Promulgate rules to provide specific definitions and procedures to implement 40 ILCS 5/15-168 (concerning information requests necessary for the proper administration of the System and suspensions for non-compliance by members and penalties for non-compliance by employers).

Promulgate rules to clarify SURS' benefit forfeiture procedures and refund calculation methods arising from work-related felonies under Section 15-187 of the Illinois Pension Code (40 ILCS 5/15-187).

Amend Section 1600.710 (Petitions) to remove any reference to the required or permissive use of the last four digits of the social security numbers of SURS members on nominating petitions for contributing member candidates and annuitant candidates.

Amend Section 1600.745 (Candidate Informational Communications) to provide clarity for the options available to candidates for sending out SURS approved electronic and/or hard copy campaign communications to voters.

- B) Statutory Authority: Article 15 of the Illinois Pension Code, 40 ILCS 5/15-177.
- C) Scheduled meeting/hearing dates: Written comments may be submitted during the 45-day public comment period following publication of the

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## STATE UNIVERSITIES RETIREMENT SYSTEM

## JULY 2022 REGULATORY AGENDA

proposed rule in the *Illinois Register*. No public hearings are anticipated.

- D) Date agency anticipates First Notice: Summer 2021 through Winter 2022
- E) Effect on small businesses, small municipalities or not for profit corporations:  
None
- F) Agency contact person for information:  
  
Bianca T. Green, General Counsel  
State Universities Retirement System  
1901 Fox Drive  
Champaign, IL 61820  
(217) 378-8825  
Fax: (217) 378-9801  
[bgreen@surs.org](mailto:bgreen@surs.org)
- G) Related rulemakings and other pertinent information: Other Amendments may be necessary based on emergent issues.