



National Association of State Retirement Administrators

Responses to survey regarding disability benefit issues

Forty-seven systems in 36 different states responded to this survey; a listing of responding systems is at the end of these results. Responses revealed a surprising variety and complexity in system authority; the accompanying comments are an important part of these responses. This survey was conducted in July 2011.

1. *Question: Does your retirement system process applications for disability benefits internally, or do you use an outside firm to review and administer applications for disability benefits?*

Process internally: 37

Use outside firm: 5

Both (two plans): 1

Other: 4

Comments:

- Contract for recommendation; we make the ultimate determination
- Internal medical board
- We use a three doctor panel
- Our disability plan is fully insured

2. *Question: Please identify whether your system provides short-term disability benefits, long-term disability benefits, or both, and your definition of short- and long-term*

Long-term disability benefits: 34

Both: 10

Definitions of short and long-term:

- There is no set definition for short-term or long-term. Length is based on specifics of the case
- For life or until recovery from disabling illness or injury
- To receive disability benefits the members' disability must be total and permanent
- Applicants must be at maximum medical improvement
- Long term with annual recertification
- Incapable of working in his/her job expected to last 12 months or longer
- Long-term = 100% disabled, permanently
- At least 90 days. Some members recover shortly after 90 days and some never recover
- STD: up to 6 months. LTD: longer than 6 months
- Disability benefits are lifetime retirement annuities
- After 90 day waiting period LTD benefits until age 65 or retirement
- Long-term means permanent and prevents them from working for at least 12 months
- Deemed "totally and permanently" by SSA
- We provide disability retirement, not benefits while still working
- Condition is expected to last 12 months, but no wait period to apply if LT.
- Long Term can be permanent; Short term is annual review
- Greater than one year

- Short term one year; Long term is permanent disability
- Approval for 1 yr or perm; Members use sick leave for short term
- We use partial and total. Total is 100% while partial is 50% of benefit.
- Approved disability applications will receive a lifetime disability pension benefit
- A presumably permanently disabling physical or mental condition
- Exceeds 3 months
- Must be perm disability or of an unknown duration
- Must be disabled from their occupation, and disability must be likely to be permanent
- Short term- can purchase 24 months of missed time. Long-term- lifelong pensions
- We provide total & permanent disability benefits
- On disability until age 65 at which time they go to service retirement
- We do not provide short term or long term disability, we provide disability retirement.
- Short-term 2 yrs. Long-term permanent.
- Permanent functional limitations that make it impossible to perform duties of employment position
- ST = less than one year, disabled from own position; LT = permanent & disabled from any position
- Lifetime benefit for permanent incapacity
- Permanently disabled from all gainful employment
- As long as the disability continues
- For as long as the disability continues
- The disability benefits are for life, with a survivorship option
- Short is service with less than 10 years
- Member must be permanently unable to perform their duties
- Long term with annual recertification
- After 3 months of disability

3. *Question: Does your system offer vocational rehabilitation to long-term disabilitants?*

Yes: 8
No: 39

4. *Question: If your system offers vocational rehabilitation, is it required for disabilitants to continue to receive their benefit, or is it optional?*

Optional: 4
Required: 4

Comments:

- If necessary, disability benefit can be conditioned on rehab
- We would not pay for vocational rehabilitation benefits if the member was not receiving disability benefits
- Can be required of some members. Standard makes that determination.

5. *Question: What is the standard used to determine disability: Permanent and total disability? Inability to perform the duties of one's job? Social Security standard?*

- To apply for disability the individual must be at maximum medical improvement; there are two types of disability - ordinary and accidental; with respect to accidental disability pension a determination is made as to whether the individual is totally disabled (unable to work in any capacity) or disabled from their prior position; if an individual is found to be totally disabled then they receive 66 2/3 % of their salary tax free for life; if the individual can work in a different

capacity and they have a work related injury they receive 50% of their salary, tax free for life

- Inability to perform any job which qualified, not just current job
- 1 plan is permanent and total. Other plan is one's job
- First two years inability to perform regular job (can be physical or mental). After two years inability to perform any gainful employment based on education, skills and experience. After two years only disability for physical impairment can be granted. All disability must be objectively documented (no subjective complaints considered)
- They must be unable to perform their usual job duties, duties with reasonable accommodation or the duties of a comparable level (66 2/3% of comp).
- Totally disabled to continue his employment and unable to retain and obtain the gainful employment commensurate with his background, education and experience.
- The requirements vary based on the date of membership. In a member joined before 7/27/76 they requirements are:
 - Have at least 10 years of state service credit. (If you are Tier 2, you must have at least five of the 10 years since last becoming a member.)
 - Be totally and permanently incapacitated from further teaching.
 - Stop teaching because of the disability. If a member joins on or after 7/27/76 then:
 - Have at least 10 years of service credit. (Note: The 10-year requirement is waived if the disability resulted from an on-the-job accident.)
 - Be totally and permanently incapacitated from all

further gainful employment. • Have filed a disability application within 12 months of the last date you were on the payroll. If you are placed on a leave of absence without pay for medical reasons, you may file a disability application no later than 12 months after the date your medical leave ended.

- It depends on the type of disability applying for. See Hawaii Revised Statutes Chapter 88
- A presumably permanent disability that prevents an employee from performing their usual duties
- Disability means a total inability of the member to perform the member's duties by reason of physical or mental incapacity. The disability must be incurred while the member is an active member and must be one of permanent duration or of extended and uncertain duration, as determine by the Board on the basis of competent medical opinion.
- The disability retirement pension shall be paid for a period of 1yr after approval of the initial approval unless the disability review committee for good cause shown grants disability until normal retirement eligibility
- If you are approved for Social Security, you qualify for a benefit
- Mental or physical incapacity from the further performance of duty, and such incapacity is likely to be permanent
- First 2 years is inability to perform ones on job; beyond that is inability to perform any gainful occupation consistent with training and experience.

6. *Question: Who makes the determination of disability?*

System staff:	12
Third-party administrator:	6
Medical review board:	16
Other:	13

Comments:

- Board of Trustees based on the recommendation of a contracted medical examiner.
- Local safety determinations are made by local agency governing board
- Retirement Board
- Ret. Bd. after review of medical docs to & exam by physicians. Employer also submits information
- Using physician's review process
- 1 counselor, 1 medical advisor, 2 mgmt staff
- Staff recommends to medical advisor who recommends to manager
- Director if initial denial is appealed
- Staff and an outside medical consultant (MD)
- With manager oversight
- SSA or a medical board if not worked 18 of the last 24 months
- We do obtain opinion of external medical examiner
- Following 3 IME's by independent physicians. Physician advisor on staff committee
- Also have Fund Medical Consultants
- The system makes a recommendation to the full Retirement Board
- The physician makes recommendation for approval of the retirement board
- Contracted Physician
- Independent Med Examiner recommends to SERS; SERS final approval
- Medical Advisor with Board approval
- A recommended decision by the 3rd party administrator with a system staff final decision.
- Medical Board makes recommendations to the Board of Trustees for final disposition
- The Plan Administrator
- State Medical Disability Board Physician
- Contract with Psychologists and MD
- Standard Insurance company
- Medical advisor provides recommendation/Ex Director approves
- And medical advisor and the retirement Board makes the final approval
- Consultation with Medical Board
- Internal staff and TPA
- Social Security Administration
- System staff for some membership tiers
- Also, some (limited number) of determinations made by staff when age and education are involved
- Staff's recommendation is approved or denied by the plan's Trustees

The following questions are represented in the table below:

7. *How many members serve on the medical board that determines disability eligibility?*
8. *Number of members required to determine disability eligibility:*

How many members serve on the medical board that determines disability eligibility?	Number of members required to determine disability eligibility:
2	2
Currently 9 members, no set number	1
5	3
3	2
5	1
3	2

3	2
3	The physician reviewing the case makes the recommendation. However the retirement board must accept the recommendation of the physician.
6	3 for disapproval 1 for approval
7	7
the committee shall consist of at least 3 but not more than 5 board members and at least one licensed physician. We have 3 physicians	4
3	2
3	2
Chair plus 6 members	Approval- Chair only, Denial or Termination- 3 plus chair
Three	Two
3	2
3	
9 member Board	3 members review a claim, but only 2 needed to approve. all conducted individually and not in a formal meeting

9. *Question: Frequency of Medical Board meetings and average length of meetings:*

- Monthly - couple hours
- 4 hours one day a week plus 1 monthly conference-2 hours
- 6 per year / 1.5 hours
- 12
- Quarterly
- Monthly or sooner
- Once a month for 4 hours
- As needed; length of meeting varies on volume
- Weekly lasting for 2 hours
- Weekly - 3 hours
- Monthly for 3.5 hours
- Monthly, for approximately 30 minutes
- Monthly and +/- 3 hours
- As needed and depends on topics.

10. *Question: If physicians are required to be specialized, how so:*

- Alternate physicians-independent medical exams
- Wide range of specialties
- Need to be MDs
- One doctor is a surgeon, one an internist and one is a psychiatrist.
- Licensed and appointed by the retirement board
- Board-certified
- General, psychiatric, vocational

- Alternate physicians-independent medical exams
- All members of the medical board must be physicians and we try to have 3 doctors in major categories - neurological, internal medicine and orthopedic

11. *Question: Are the physicians compensated? If so, how (contract, per meeting, hourly, other)?*

- Contract – Hourly
- Paid per report completed. Majority of reports are completed by mail and not in meetings
- Yes, a flat monthly consultation fee.
- Yes, monthly
- \$150 per meeting
- \$100.00 per application per doctor
- \$312.00 per meeting
- \$1,000 per meeting
- Yes, per case
- Annual contract
- \$30,000 per year
- Yes, both per meeting and hourly
- Compensated per claim reviewed. Flat fee

12. *Question: Average or typical number of cases reviewed at each medical board meeting:*

- 5-7 per month
- 6
- 8
- 5 – 10
- 12
- 15-20
- 20
- 25-30
- Chair reviews 40/ week. Full board -3 per week by mail, 4 per month at conference
- 75
- 100 to 120 cases weekly
- Various - most of the work is done reviewing material prior to the meeting
- No meetings are held. Approximately 400 cases reviewed each year

13. *Question: Are disability benefits subject to reduction if the disabilitant receives workers compensation, Social Security disability, or other sources of income? If so, please elaborate.*

- | | |
|---|---|
| <ul style="list-style-type: none"> • Disability benefits are not reduced due to WC or SS. There are restrictions on other income. • Benefits are offset for lump sum payments, payment for scarring, loss of use etc., individual are prohibited from collecting weekly workers' compensation and pension simultaneously • Yes, if they over-earn • Yes. By most forms of comp benefits. Statutory offset • Offset for earned income • Yes in some programs but not in others | <ul style="list-style-type: none"> • Yes. One plan all of above. Other plan is WC and SS • There is an earnings limitation for outside employment. no reduction for SS or WC • Yes, LTD benefits are reduced by any amount received from SSDI, WC, third party settlement, etc. • Yes, member's disability retirement benefit (Coverage B) would be reduced benefit by the amount received from workers' compensation (Temporary disability, permanent disability or vocational rehabilitation benefits). |
|---|---|

- We don't offset for future medical or attorney fees.
- They can be asked to do so in the first five years
 - SDRS limits the amount on disability benefits if the member has other sources of income and after three years if the recipient receives Social Security disability. The disabled member will receive minimum benefits even if an offset for other income or Social Security exists. The eligibility and amount of the disability benefits are defined in SDCL 3-12-98 and 3-12-99 if you would like more details
 - Until they are "normal retirement age", their total income may not exceed their final average salary. If it does, we offset their retirement benefits
 - Offsets apply for pension/MP plan (or Soc Sec for certain members covered by SS). No longer have earned income offset for those Occupationally Disabled, but those Totally Disabled have earning limits
 - Reduce for all three. Reduced to statutory min. \$10.00
 - Ordinary and Accidental disability benefits for members who joined from 7/27/76 to 8/31/83, (Tier 3) are reduced by 50% of the primary Social Security benefits based on service and 100% of their current Workers' Compensation payment
 - Our disability benefits are subject to reduction if they go to another job, and the combination of that salary and disability benefits exceeds the salary from their old job. Workers compensation or social security benefits do not affect their disability benefits
 - In almost all situations, no. However, if an occupationally disabled member first hired before 7/1/76 elects a benefit calculation under the laws in effect prior to 7/1/76 (a service calculated benefit) there is a reduction for workers compensation payments received
 - Yes. If you receive benefits from any of the following sources they will be directly subtracted from your basic monthly benefit in determining the amount actually payable to you
 - Yes, to workers compensation, no to Social Security, no to other retirement income
 - Disability benefits are reduced only for outside income from working
 - Yes, both social security and workers compensation are considered deductible income
 - We administer 8 systems and 15 plans. In two of the plans, certain disability benefits are offset by workers compensation and/or SS
 - If the person is partially employed, could be subject to an earnings limitation
 - May be subject to worker's compensation offset but not SSD
 - Earnings and other benefits are offset on a dollar for dollar basis
 - Yes, if the total of the unmodified benefit and the workers compensation benefits would otherwise exceed the average compensation
 - Yes - combination of benefits cannot exceed 80% of the average final compensation
 - Yes, reduced for UC, WC, SS, SSDI, earnings, other disability benefits, etc.
 - Yes, if disability retiree works and earns more than his or her allowable earnings
 - Yes, for workers comp. If the member receives an accidental disability benefit (due to an on-the-job injury, the monthly worker's comp is coordinated with the benefit. The combination of the two monthly benefit cannot exceed 75% of AFC
 - The disability benefit is subject to a reduction if the annuitant is engaged in "gainful occupation", that pays more than the difference between the retirement allowance and the current compensation from the position at the time of the disability

14. Question: Must disability retirees be reexamined to continue to receive disability benefits?

Yes: 37

No: 10

15. Question: At what frequency must disabilitants be re-examined?

- Determined by the Board based on Medical Examiner recommendation
- Various- depends on condition and age (If under 50, may be reexamined)
- The disabled retiree must see a doctor of their choice and complete a continuing statement of disability annually
- Annually, for the first 5 years and every 3 years thereafter
- In many cases yes. Depending on the physician's determination of disability review, a re-exam could be required quarterly, semi-annually or annually. In cases where the diagnosis is terminal, no exam is required
- Every 6 months to 3 years, depending upon age, condition, & duration of disability
- Depends on case. Some every 6 months others every 1 or 2 years
- 1 plan 24 mos., other plan is maybe every year until age normal retirement age
- Just to clarify, we do not use the term disability retirees because they are not retired when they are on LTD. During the first two years of disability we check in on them every 90 days and sometimes get more medical documents or have their doctor fill out a questionnaire to indicate their limitations-- this depends on their disability. After 2 years if they qualify for inability to perform any gainful employment -- we call this ongoing LTD and we get a questionnaire from their doctor, a questionnaire from them about their ability to perform activities of daily living and updated medical records annually to ensure continued eligibility. This can be done less (the Specialist uses their judgment) if the person is obviously disabled with little or no chance of improvement (i.e. severe MS, quadriplegic, brain injury, etc.)
- Education Code states that a member may be reexamined to continue to receive benefits – it's not a shall. • We primarily use the member's earnings as an indication of when to review the medical condition of the member rather than to review all members because we just don't have the staff to review all
- We do have a reexamination process and an annual income reporting process. Recognizing the severity of certain disabilities, we do exempt some recipients from reexamination. Annually – We complete these in August of each year. We go through the list and remove those folks that have certain permanent disabilities
- Typically no longer than 5 years; various rules apply
- Every 1-2 years depending on Diagnosis
- Annually or on a scheduled determined by Chair
- Varies, but all disability retirees are subject to re-examine
- Period of time for which their disability was approved
- Every year for temporary disabilities
- Most due unless they have a medical condition that is life threatening. For the first 5 years, they must undergo an annual medical exam and then after 5 years, every 3 year. If they are given a total permanent disability they do not have to have the annual exams
- Not for current disability retirees. Previous law had 3-year evaluation
- period, but this law does not exist for new retirees since the law was repealed
- Must be reexamined annually after own occupation period ends
- Usually between 6 months and 3 years depending on condition and age

- During the first 5 years, every year, then every 3 years until age 70, or until they convert to service retirement, whichever occurs first.
- Board is allowed to examine disability retirees at any time after approval of the benefit. Typically applicants are approved with or without an annual review. However, even if they are approved without an annual review we have the ability to request a review if new information is received
- Some yes, some no. Just part of the case management
- Annually first 5 years, every 3 years thereafter
- Not all are subject to re-examinations, but if they are, it's on an annual basis
- Annually unless they are approved on a permanent basis
- Anywhere from 1 to 3 years
- Generally, every two years
- Once each year during the first five years and once every three years thereafter
- Averages about every two years up to age 60
- Once a year for the first 5 years, once every 3 years thereafter
- A disability retiree under age 60 may (not shall) be required to be reexamined at the Trustees' discretion. Such discretionary exams can be conducted "once a year during the first 5 years following the retirement . . . and once in every 3-year period thereafter" up to age 60

16. Question: Who reviews reports of re-examinations?

- Reviewed by the Medical Examiner and approved by the Board
- Division staff reviews the physician's report of reexamination
- Compliance officer employed by the department
- Their personal physician
- Regulatory agency
- The physicians with our vendor who administers our plan. If the person is recommended for termination of disability, we then use contracted medical advisors before it goes to the Board for approval
- 1 counselor, 1 medical advisor, 1 lead, 1 manager
- Staff, PERS medical advisor, and manager
- TPA for both
- The assigned LTD Specialist
- A disability analyst and potentially our nurse consultant along with a manager.
- Technically the Board of Trustees, but a Medical Review Board of doctors has been established for prior review
- Internal Disability staff member handles most of the work with assistance from certain other internal staff
- Use Updated med. & IME's - Consultants & staff review
- Chair and possibly full medical board
- Medical Board
- Medical Physician
- Four Independent Medical Examiners
- Staff and Medical Advisor
- Prior to June 1, 2011, we had a medical doctor review them and make a recommendation to me. Since June 1, we have contracted all the disabilities and reviews out to a third party consultant
- For the previous retirees, it was the Medical Board
- Initial review is performed by retirement staff, who may then have the information reviewed by a consulting physician or psychiatrist for a recommendation to the Administrator

- Third party administrator which have medical personnel review the examinations
- The Medical Committee
- State Disability Medical Board Physician
- Staff Disability Specialist, Contracted Physicians, Retirement Board
- The Standard makes all these determinations
- Medical advisor
- Disability Review Committee
- The same Medical Board doctors
- Staff and Medical Board

17. *Question: Does the standard for disability change after some designated period?*

Yes: 12

No: 36

Comments:

- Not currently. However, there is legislation pending that will change it from an own occupation standard to any occupation standard after 3 years of receiving a disability benefit.
- Yes, ability to perform any job for which qualified after 24 months. No for the other
- But, the earnings limitation may reduce or eliminate benefit
- 2 years is inability to perform their regular job (own occupation) and thereafter it is inability to perform any gainful employment based on their education, skills and experience.
- When the member attains full retirement age, the benefit status switches to regular retirement.
- Temp & T&P definitions are different by statute
- At normal retirement age 60
- During the first 30 months of a disability, including a six-month waiting period, you are considered Totally Disabled if you are under the care of a licensed physician and are unable to perform all of the duties of the job you held when you became disabled. Own Occupation period.
- The standard remains the same. We answer the question, "Can the recipient perform the essential duties of their job?"
- First 24 months have to be disabled from your own occupation; thereafter any occupation
- Upon reevaluation disability retiree's are evaluated under the standard of any gainful employment
- From Short-term which is temporary to Long-term which is permanent
- Expands to ability to engage in substantially gainful activity (80% of AFC)
- ST is own position; LT is any position
- If Social Security disability stops, our benefit stops
- After consecutive examines that determine the disability will not improve nor change

18. *Question: If the standard for disability changes, does that standard vary based on the disabilitant's position, i.e., public safety officer, teacher, etc.?*

- No - exception is that there is a separate disability program for protectives.
- The definition of 'any occupation' is that the employee is not capable of gainful employment
- The only time their position is taken into account is for 2 year LTD -- what are their specific job duties. Ongoing LTD's standard is can the person perform sedentary work
- After you have received benefits for 24 months within a five-year period, you are considered Totally Disabled if you are under the care of a licensed physician and are unable to perform any work for compensation or gain (greater than or equal to two thirds of compensation at the time of disability) for which you are reasonably qualified by education, training or experience. Any Occupation
- I answered the Survey based on our members. Standards for the Public Safety are the same regarding the member's ability to perform the essential duties of their job. However, the

employers of public safety members also have the ability to apply additional restrictions to the member's ability to return to work. For example, they have the right to have their own physician to provide a review of the member should the Retirement Board determine that member is eligible to return to work

19. *Question: Are disabilitants subject to earnings restrictions when they are receiving a disability benefit?*

Yes: 37

No: 10

20. *Question: How is income verification determined?*

- Through completion of an Annual Earnings Affidavit
- Self reporting and the department may request copies of tax returns
- Submission of earnings statement to separate regulatory agency
- Employee dept records, tax returns
- SS and WC award letters, W2's
- Unemployment Agency and certification from annuitant
- The member must complete a form yearly and we also receive a report quarterly from EDD as well
- Only applies to those totally disabled. If earnings limit is exceeded then the benefit status may be changed to "occupational"
- Positive audit confirmations
- Annual review. They are required by statute to supply their annual income if they work
- Disabilitant provides a job description
- Third Party requests information, employer returns info
- Notarized Annual Earnings Statement
- Self reported and compared to inflation adjusted benefit
- A disability Retiree cannot make more than \$15,000.00 in gainful employment in a calendar year
- Coordinated data sharing with our state department of employment, who tracks all reported earnings in state
- Earnings plus initial disability benefit cannot exceed salary prior to disability
- Disabled member is not allowed to earn any money
- There is none. We basically rely on the honor system. At least for the first 36 months
- Filing Annual Statement of Compensation
- Letters sent to retiree and state employment security office
- Disability not tied to income

21. *Question: Do you require copies of tax returns or other proof of income?*

- Usually for self employed or if can't get employee dept record sometimes
- We ask for it, but if unemployment records show income, we rely on them
- Yes, if the member is self employed in particular
- We write out for reports from employers
- Not currently, but we are planning to review and possibly require proof
- No tax return, however verify income with employer
- Only in questionable circumstances
- We require that every disability retiree provide us with copies of their federal tax returns
- We can require them upon request
- At one time we did, but not now
- Yes for one of the programs

- Only when there are discrepancies

22. *Question: If a disabilitant is found to have earnings in excess of the limitation, what measures are taken and how are benefits reduced?*

- Member option to pay back in a lump sum or reduce/eliminate the supplement to the extent of the excess earnings
- Allowance is reduced to an amount that, when added to the compensation earned monthly, shall not exceed the amount of the maximum compensation earnable by a person holding the position held at retirement
- Future pension benefits are offset, and/or repayment is requested to be made to the trust
- Member is invoiced and or benefit is reduced
- Benefits may be halted until excess earnings amount is paid
- Reduction of benefits to keep total compensation less than what they earned at time of disability
- Member notified, benefit reduced by amt combined total of benefit plus outside inc exceeds mo pay at time of disability
- 1 plan If excess of limitation claim is closed, other plan offset to zero until earnings reduce
- Suspend the benefit/terminate the benefit or adjust benefit
- We have two different coverages. With Coverage A, the member can be removed from benefits and the overpayment collected back. For coverage B, we can't remove them from benefits solely based on income but will collect the excess earnings back dollar for dollar until paid in full.
- Demand repayment; terminate benefit
- Benefit is reduced from 70% to 50% of base salary (less applicable offsets).
- Could result in termination of benefits, or just a reduction
- The employer is contacted to verify the income and benefits are suspended.
- Current job description is reviewed if conflict, member must stop.
- Disability is reduced dollar-for-dollar by amount of excess
- Benefits are reduced 50 cents on each dollar made over the sum total of the salary and disability benefits
- The disabilitant is notified in writing and the benefit ceases
- Benefits reduced - half of salary
- Benefit is reduced to pay back overpayment caused by wages
- Benefit can be reduced to a minimum level
- They have to repay any overpayments
- Disability retiree's benefits are suspended effective immediately and reclaim benefits paid for that current year
- The benefit overpayments are collected and the disability is reviewed and sometimes cancelled
- Offset benefit, plus review for continued disability eligibility
- Benefits are either reduced or suspended and if applicable, an overpayment is calculated and collections began
- Suspend the benefit until the subsequent year, if exceeds again, benefit is terminated
- Reduced dollar-for dollar or restored to membership
- Disability retiree is notified and given the opportunity to repay benefits received in excess of limitation or benefits are reduced to recover the excess payments

23. *Question: How are disability benefits calculated? As a percentage of current salary, average salary, based on service?*

- Based on Final Average Salary x Multiplier x Service and intended to provide a minimum of 1/3 FAS
- Based on service, average final compensation, percentage value of each year of service, and type of disability benefit qualified for (there is a minimum benefit)
- Accidental - either 50% or 66 2/3% based upon salary as of the date of termination; ordinary - minimum of 10 years service credit, and average of salary times a designated multiplier
- Percentage of salary
- % of avg. salary and yrs or service + service to NRA
- Plan 1: final average salary * service * annuity factor Plan 2: 45% of salary
- Highest of three formulas in old plan with no cap, and 45% of salary at time of disability in new program
- 1 plan pre-disability salary, other plan higher of formula using AFC and service or percentage of AFC
- Two thirds of regular salary (excludes OT, etc.)
- Our benefit is generally 50% of final compensation regardless of the number of years of service. in addition, we pay 10% for each eligible dependent child (max 40%) until the child is no longer eligible
- FAS * YOS * multiplier
- Higher of percentage of average salary or retirement benefit
- Yes. Duty disability has a minimum benefit of 25% of final average salary
- As a percentage of current base salary
- 50% of average earnings 12 months prior to disability
- Years of service determine percent of average salary (3 high years)
- Average Salary and Years of Service
- In most cases, the disability benefit is one-third of final average salary
- Avg. salary and service
- Final Average Salary x Class Multiplier x Service
- 2% x class Multiplier x service x Final Avg Salary (FAS)
- Based on highest three years and as if the member was age 60 times years of service
- It depends how many years of service they have as there is a minimum percentage. Otherwise, it is based on their retirement plan, years of service and average final compensation
- Occupational disability and teacher disability, percentage of salary. Non-occupational service based
- 66 2/3% of Monthly Compensation
- Similar to a normal pension
- Formula varies depending on when you entered the system
- The greater of 90% of 1/56 of member's Highest Average compensation (highest 36 consecutive months) multiplied by service credit, or; 25% of HAC
- 60% of current salary
- Average 42 month salary and months of service.
- Years of service credit multiplied by 2.5% or 2.67% = service time factor multiplied by the average compensation (highest 36 months of wages)
- Average final compensation x .59 or .666 divided by 12 = monthly benefit
- Same as regular but no reduction. Yr's x FAS x 2%
- Some are a percentage, some are based on service & salary
- 90% of regular benefit calculation
- % of final average salary, non-duty = accrued benefit, duty = service to age 60
- Non-duty related disability = 2.5% x AFC x yrs/svc.; duty-related disability = 2/3 of AFC
- Percentage and years of service
- Same as regular retirement benefits (FAS x Yrs of Service x 2.3%)

24. *Question: If disability benefits are based on service credit, is service credit projected to normal retirement age or a specific number of years of service?*

- Only for comparison
- Benefits are calculated using a member's actual service
- Only ordinary disability pension are based upon service credit, if the individual has less than 10 years service credit they are provided a minimum of 10 years of credit
- To normal retirement age
- Projected to normal ret age, if older then amt at that age if retired instead
- Service credit is projected to age 65 and 55 (police/fire)
- They are not based on service credit
- With our Coverage A, if the member is between the ages of 45-60 with less than 10 years of service credit, the disability benefit is calculated differently. The benefit would be 5% of final compensation for each year of service credit.
- Actual years of service
- Two disability plans, projected credit to age 60 under one plan
- A disability retiree must have ten years of service unless they are injured on the job
- Benefit determined using service at time of termination
- We calculated the disability as if the member is age 60
- Only current paid-up service is used
- Duty related disability is projected to normal retirement and non-duty disability is based on the current number of years of service
- Project to 360 months or age 65 - whichever comes first
- Both, projected to normal retirement age and years of service
- Recipients continue to accrue SC while on disability
- Projected to 20 years if less than 20

25. *Question: When a disabilitant reaches normal retirement age, do their benefits return to service benefits?*

- No, however, the member may apply to convert to a regular retirement
- Optional
- Plan 1: No Plan 2: Yes
- No in old program, yes in new program
- No, but earnings limitations and any required reviews are lifted
- Their LTD ends and they are allowed to retire through the retirement system
- Coverage A ends at age 60 unless the member still has eligible dependent children. The disability benefit is terminated but the member must submit an application to receive service retirement benefits. It is not automatic
- If their benefits were offset due to other income, then yes, their offset is removed
- Only under the category of "temporary occupational disability"
- Disability stops at full SS ret age or after 5 years if over age
- Two disability plans, disability terminates at approximately 65 for one plan
- Yes, at age 60; amount stays the same; can choose survivor annuitant
- No, however, member can apply to convert to regular
- Yes unless it would result in a reduced benefit
- Yes. An occupationally disabled peace officer or firefighter can elect to use the percentage calculation
- For our Post 96 disability retirees, yes. Pre 96 they have a choice, New plan members as of 2011 remain on disability unless the make application for service retirement
- Must retire when eligible
- When a disability retiree reaches normal retirement benefit amounts don't change
- Only in one plan of the 15
- Only upon request from the recipient

- Two tiers: when benefits equal or no later than 10 years past NRA
- Benefits continue without subsequent medical examination

Responses to the following questions are represented in the table on the following page:

26. Question: Number of active members in your system:
 27. Question: Number of pension annuitants and beneficiaries receiving a regular benefit:
 28. Question: Number of disabilitants receiving a regular benefit:
 29. Question: Of your system's disabilitants, what percentage of the disabilities are in-service (i.e., incurred their disability from service on the job) and what percentage are out-of-service (disability is not job-related)?

Number of active members in your system:	Number of pension annuitants and beneficiaries receiving a regular benefit:	Number of disabilitants receiving a regular benefit:	Of your system's disabilitants, what percentage of the disabilities are in-service (i.e., incurred their disability from service on the job) and what percentage are out-of-service (disability is not job-related)?
46,520	37,312	314	Inservice 58.28%, out-of-service 41.71%
220,323	98,625	4,723	N/A
five	23,458	2,422	99%
3,800	2,300	367	Not available
1,116,044	528,343	78,080	job related: 44.5%; non-job related: 55.5%
there are approximately 650,000 active members	there are approximately 250,000 members receiving benefits (disability, service retirement and survivor benefits)	approximately 4,500	we will begin capturing that figure more accurately beginning this year but I would estimate approximately 25% have a workers' compensation overlay
35,217	21,676	2,063	N/A
500,000	As of 7-21-11 225,182 annuitants and 17,644 surviving annuitants	14,000	Disability must have been incurred during active employment.
about 66,000	about 38,000	about 2,000	None are in-service as they have to retire to receive a disability retirement benefit.
11,095			62%
655,367	304,337	15,340	In line of duty disability- 3,486. Regular disability- 11,854
176,000	97,000	Currently - 560 temporary, 620 Total and Permanent	We do not track this.
58,881 (6/30/2010)	31,086 (6/30/2010)	not readily available	not readily available
59,000	34,000	1,515	unknown
86,500	50,000	3,600	3000 work -related
78,000 approx	53,000 approx	612	unknown
33,032	14,901	1,014	49% in-service, 51% out-of-service
8,457	7,461	142	

2,893	17,075	279	unknown
38000	27,000	1,200	30% - in-service, 70% - out-of-service.
51,000	26,000	1,500	58% in-service; 42% out-of-service
64,059	6,237	380	Not Tracked
50,189	30,420	n/a	293 Duty related 1,755 Non-Duty related
679,217	375,803	26,851	n/a
285,774	139,202	2,318	In-service =2% Out-of-Service = 98%
30,000	25,000	9,000	47%
356,000	143,035	23,041	unknown
41,000	29,000	1,500	Unknown
214K active and inactive	110642	approx 6,500	10% job related (duty) 90% out of service (non-duty)
282,041 as of June 30/2010.	176,962 as of June 30/2010.	7,972 as of June 30/2010.	N/A for our system. Not dependent on whether disability was for service on the job.
109,255	111,713	7,800	N/A
66,776	34,840	823	No way to determine, but an educated guess would be 80% out of service
166,000	87,500	6,500	Non-duty related 95%; duty-related 5%
103,038	41,124	2,494	Do not track in the in-service and out-of-service disabilities.
156,133	64,242	1,296	Unkown
218,917 (SCRS and PORS - June 2010 CAFR)	124,641 (SCRS and PORS - June 2010 CAFR)	13,943 (SCRS and PORS - June 2010 CAFR)	Do not track
40,000	20,000	400	N/A
as of 6/30/2010 206,689	as of 6/30/2010 133,103 (service retirees only)	as of 6/30/2010 6,104	we have no distinction
1,000,000	290,000	9,000	Not related to disability determination
88,783	59,997	3,943	100% In-service
215,000	110,000	6,000	unknown
141,372	36,167	1,604	unknown
37000 eligible employees		437 currently receiving LTD	
339,740	131,092 (as of 6/30/2010, fy2011 not available at this time)	One plan 2,700, other plan 14583 (as of 6/30/201, fy2011 not available at this time)	For one plan job related 7%, other plan 16.2% job related, 83.8% not job related.

Approximately 300,000 in the 8 systems we administer.	approx 129,000	approx 8,400	most systems don't distinguish, but those that do, are about 80% duty, 20% non duty
approx 267,000	approx 148,000	approx 6,000	unknown, but the vast majority would be out of service
47,320 covering 9 separate plans	22,060 covering 8 separate plans	We do not track this number	Unknown

Question: Please share any other thoughts or observations you may have regarding disability benefits:

- We are in the process of major disability statutory changes to tighten up on our benefit eligibility
- I'm very interested in hearing about other systems vocational rehabilitation programs. Also very interested to hear what other systems do when they receive reports of fraud in the disability program
- Disability applications increasing geometrically over last ten years
- We have a statewide tiered benefit plan that is separate from the pension plans
- Our disability provisions are controlled by statute and are constitutionally protected. As a result the employee's entry date into the system determines their tier and benefit entitlements
- We fully insure our disability program. Best thing this plan ever did. Gets the Board and the System out of the disability business. If you want details of how we structure this program, please call.
- We pay a disability retirement if the member qualifies for Social Security disability. We get confirmation each year that the member is still receiving disability or we cut off the benefit.
- Medical panel consists of 3 doctors on contract. They independently review medical documentation and make a decision. Majority decides. Also, we will accept a SSA disability award if the decision was made on the initial request. No ALJ decisions are allowed

Responding Systems:

- Alaska Public Employees' Retirement System
- Alaska Teachers' Retirement System
- Arizona State Retirement System
- Arkansas Public Employees Retirement System
- Arkansas State Highway Retirement System
- California Public Employees Retirement System
- California State Teachers' Retirement System
- Colorado Fire and Police Pension Association
- Delaware Public Employees' Retirement System
- Florida Retirement System
- Hawaii Employees' Retirement System
- Idaho Public Employees' Retirement System
- Illinois Municipal Retirement Fund
- Louisiana State Employees' Retirement System
- Louisiana Teachers' Retirement System
- Maine Public Employees Retirement System
- Massachusetts State Employees' Retirement System
- Michigan Municipal Retirement System
- Minnesota Teachers Retirement Association
- Mississippi Public Employees' Retirement System
- Missouri DOT and Patrol Employees' Retirement System
- Missouri Local Government Employees Retirement System
- Montana Public Employee Retirement System
- Nevada Public Employees' Retirement System
- New Hampshire Retirement System
- New Mexico Educational Retirement Board
- New Mexico Public Employees Retirement Association
- New York State and Local Retirement Systems
- New York State Teachers' Retirement System
- North Carolina Retirement Systems
- Ohio Police and Fire Pension Fund
- Ohio Public Employees Retirement System
- Ohio State Teachers Retirement System
- Oklahoma Public Employees Retirement System
- Oregon Public Employees Retirement System
- Pennsylvania Public School Employees' Retirement System
- Pennsylvania State Employees' Retirement System
- South Carolina Retirement Systems
- South Dakota Retirement System
- Tennessee Consolidated Retirement System
- Texas Municipal Retirement System
- Texas Teacher Retirement System
- Utah Retirement Systems
- Virginia Retirement System
- Washington Department of Retirement Systems
- Wisconsin Retirement System
- Wyoming Retirement System