



Applying for Disability Benefits

You may be eligible for benefits from the Public Employees Retirement Association (PERA) if you are unable to work because of a physical or psychological disability.

To Qualify for Disability

- You must be employed in public service when you become disabled and under full retirement age (65 if hired prior to July 1, 1989, and normal retirement age for Social Security, capped at 66, if hired thereafter).
- Your condition makes it impossible to engage in not only the duties of your own job, but any substantial gainful activity. The condition is the result of a medically determinable physical or psychological impairment that is expected to last at least one year. However, you do not have to wait a year before you apply.
- You must have worked a minimum of three years in public service (five years if hired after June 30, 2010). If you terminated your public service at any time, a minimum of two of the required years of service must have occurred since last becoming a member.
- You must apply for disability benefits within 18 months from the date you end your public service. Your disability, however, must have occurred before you terminated public employment.

- When you apply for disability benefits, you will need to provide medical evidence supporting your claim. This includes two medical reports, with at least one signed by a licensed physician. After benefits begin, PERA may require updated medical information at any time.
- A medical evaluator under contract with PERA will review your disability application and recommend approval or denial based on the definition of disability previously outlined. The cost of securing medical documentation is yours. However, if PERA's medical evaluator recommends an independent medical evaluation, PERA will pay the cost of that examination.
- You will need to provide PERA with documents indicating your age (i.e., birth certificate) and any name change you may have had (i.e., marriage certificate). If you choose a Survivor Option, we will also need this information for your survivor.

Appealing a Denial

If your application for disability benefits is denied, you can appeal our decision. Your appeal must be in writing and must be received in the PERA office no more than 60 days after the date on the denial letter.

Combined Service

Service with PERA may be combined with coverage in another Minnesota public retirement fund for purposes of eligibility and for determining the amount of your benefit. If you have service with another Minnesota public retirement plan or took a refund for prior service with PERA or another Minnesota plan, contact the PERA office for further details.

Forms of Payment

Payment of your disability benefit will be made on a monthly basis as a Single-life Benefit unless you elect a 25, 50, 75, or 100 percent Survivor Option.

A Single-life Benefit continues for your life only. Upon your death, any remaining employee contributions you have not received as a benefit would be distributed to your beneficiaries. (You will have recovered most of your employee contributions within two years from the time your benefit begins.)

While Survivor Options reduce the amount of your monthly payment, they provide for the continuation of the payments at a 25, 50, 75 or 100 percent level for the individual you name as your survivor should you die. There are no monthly benefits following your death if you do not select a survivor option.

If choosing a non-spouse survivor, age restrictions may apply when selecting the 75% or 100% options. For more information, see the Survivor Options Fact Sheet under Forms & Publications at www.mnpera.org

If your disability continues to full retirement age, you will be transferred from a disability to a retirement status at PERA. If you were receiving a Single-Life benefit, you will have the choice of continuing payments in that form or selecting a Survivor Option. If your disability was already in the form of a Survivor Option, your retirement benefit will be exactly the same as your disability benefit. Once Survivor Option payments are received, the type of benefit selected cannot be changed.

When Benefits Begin

Disability benefits begin when you no longer have any sick leave or vacation time credited to you and you are not receiving any salary payments. If your application is filed late with PERA, benefits can be paid retroactively, but no more than 90 days prior to the day PERA receives your application. You will not receive any payments until your final salary deductions have been received by PERA and the final calculations have been completed. Thus, your first payment will include benefits retroactive to your effective date. The payment will be directly deposited at the financial institution you indicate on your application for disability.

Increases to your disability benefit are granted each January. The maximum wait for your first increase is 18 months.

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Reemployment

You may wish to return to part-time employment at a reduced salary. However, PERA will require a physician to certify that you remain totally and permanently disabled as defined by Minnesota Statutes. If you remain disabled, and are unable to engage in substantial gainful activity, your combined earnings and PERA benefits cannot exceed the salary you would be earning if you had not become disabled. In this case, PERA must reduce your monthly benefit to return the total to that level. If you return to full-time employment, your PERA disability benefit will be discontinued.

Trial Work Period

If you attempt to return to your former job or a similar position with another public employer, PERA will, upon written request, continue your benefit for up to six months without evidence that you remain totally and permanently disabled. If your return to work is successful, PERA will discontinue monthly benefits after six months. If you are not successful in returning to public employment, PERA will require evidence that you remain totally and permanently disabled.

During the trial work period, if the combination of your earnings and PERA disability exceed the salary you would be earning if you had not become disabled, your PERA benefit will be reduced.

You cannot pay into PERA and accrue service credit while you are collecting PERA disability benefits. Minnesota Statutes state that a person can only take advantage of the trial work period once.

Workers' Compensation

Your PERA Single-life disability benefit plus any workers' compensation you receive cannot be more than the higher of either the salary you were receiving at the time your disability began or the current salary for a similar position. If you are receiving PERA disability, workers' compensation, and are employed, the total of your salary and the two benefits cannot exceed these limits. If the total salary and compensation you receive exceed your former earnings or the salary for a similar position, your PERA disability payments will be reduced by an amount sufficient to return your earnings to this limit.

Taxes

According to the Internal Revenue Service, your disability benefit is fully taxable until you reach age 55 or qualify for the Rule of 90, whichever is sooner. At that time your payments are taxed as if they were a retirement benefit. PERA will provide you with a Form 1099R each January.

Disability Insurance

Since disability benefits under the Coordinated Plan are only available if your condition is determined to be "total and permanent," short- and long-term disability insurance benefits may be payable even if you do not qualify for benefits from PERA. Even if you do qualify for PERA disability, this insurance can help bolster your income. Check with your human resources department.

PERA considers each disability case on an individual basis. In some instances other statutes may apply. You may wish to contact a PERA disability counselor prior to filing your claim.

This document is available in alternative formats to individuals with disabilities by calling 1 800 652-9026 or through the Minnesota Relay Service at 1 800 627-3529.

This publication is designed to present a brief outline of the current laws that apply to PERA disability benefits. If there is any discrepancy between this publication and the actual law, the provisions of the law will govern.

Public Employees Retirement Association of Minnesota

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A Brief Look at Your Coordinated Plan Benefits

Public Employees Retirement Association of Minnesota