



Applying for Disability Benefits

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

If you are disabled while engaged in hazardous activities specific to your occupation and the protection of the property or personal safety of others, it is called a duty disability and no minimum service time is required to qualify. The minimum benefit is 47.5 percent of your average salary over your five highest-paid consecutive years of service. This is equal to a pension for 25 years of service.

A disability occurring under any other circumstances, either on or off the job, is called a regular disability and one year of service is required. The minimum benefit is 19 percent of your average salary, the equivalent of 10 years of service.

To Qualify for Disability

- Your condition has rendered you physically or psychologically incapable of performing the duties of your position as a correctional officer.
- Your condition must be expected to last at least one year. However, you do not have to wait a year before you apply.
- You must apply for disability benefits within 18 months of the date you end your public service. Your disability, however, must have occurred before you terminated public employment.
- If you apply for disability benefits within two years of the onset of your disabling condition, you must provide evidence that you are physically or psychologically incapable of performing the duties of the position

you held as a correctional officer when you became disabled.

If you are applying for disability benefits more than two years after the onset of your illness or injury, you must provide evidence that you cannot perform the duties of the position held 90 days prior to the date you last worked.

- If you do not stop working within 45 days of the approval of your disability, your *Application for Disability Benefits* will be cancelled. Additionally, you cannot apply for disability benefits for the same medical condition for at least one year.
- Minnesota statutes require your employer to provide evidence about your ability or inability to perform your job duties. Your employer must certify the dates of your employment and your status in connection with Workers' Compensation. PERA will request all *First Reports of Injury* filed on your behalf, along with your job description.
- Your claim for disability must also be supported by a report from your employer indicating there is no available work covered by the Correctional Plan that you can perform at that agency due to your current condition.
- 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 will require periodic medical examinations as proof that your disability is continuing. Typically, this

involves examinations once each year for the first five years you are receiving disability benefits, and every third year thereafter. PERA, by law, can request 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, or if PERA determines your disability is not duty related, 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 or regular disability approval 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. You must have at least three years of combined service with a minimum of six months in each plan to qualify for the benefit.

To qualify for a disability benefit from another fund, you must meet that plan's definition of disability. As an example, the definition of disabled under PERA's Coordinated Plan is total and per-

manent disability. This means your condition makes it impossible for you to engage in not only the duties of your own job, but any substantial gainful activity. If your condition meets that criteria, any Coordinated service you may have can be added to your Correctional Plan disability benefit if your total service exceeds the minimum Correctional Plan benefit amounts. The Coordinated benefit formula would be used in calculating that part of your benefit.

If you have received a refund for prior public service, either from PERA or another Minnesota retirement fund, you may wish to consider repaying a portion or all of the refund. Repayment restores the service credit you previously forfeited and may result in a higher total benefit. It requires payment of your original refund plus interest and must be made by the six-month anniversary of your disability benefit. To learn more about repayment of a refund and if it is to your advantage, contact the pension plan from which you received the refund.

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.

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If your disability continues to age 55, or five years after the disability benefit begins, whichever is later, 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.

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

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.

Reemployment

If you remain disabled and return to work in a position not covered by PERA's Correctional or Police and Fire plans, you may continue to receive a disability benefit. Your combined salary and benefit, however, cannot exceed the salary you were earning before your disability, or the salary currently being paid for a similar position, whichever is higher. If your salary and disability benefit exceed this limit, your benefit will be reduced to bring the total amount to that level.

Workers' Compensation

Your PERA 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.

Benefit Increases

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

Taxes

According to the Internal Revenue Service, if you are receiving a regular disability benefit, it is fully taxable until you reach age 50. At that time your payments are taxed as if they were a retirement benefit.

If you are receiving a duty disability, that portion of your benefit representing up to 25 years of service is nontaxable until age 65, or five years after the effective date of the benefit, whichever is later. Only that portion of the disability benefit attributable to service in excess of 25 years is taxable. After the age noted above, the entire benefit becomes taxable as if it were a regular pension. PERA will provide you with a Form 1099R each January.

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 submitting your application.

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 intended to provide general information; the rights and obligations of PERA members are governed by state and federal laws, rules and regulations. The Minnesota Legislature or the federal government may change the statutes, rules and regulations governing PERA at any time. If there is a discrepancy between the law governing PERA and the information contained in this pamphlet, the statutes and regulations shall govern.

Public Employees Retirement Association of Minnesota

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A Brief Look at Your Correctional Plan Benefits

Public Employees Retirement Association of Minnesota