

Applying for Police & Fire 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 Police and Fire Fund position because of a physical or psychological disability.

If your disability is the result of an injury or illness arising from inherently hazardous duties specific to your position, it is called a **duty disability** and no minimum service time is required to qualify. The minimum benefit is 60 percent of your average salary over your five highest consecutive years of service. Equal to 20 years of service, the benefit is increased by 0.25 percent for each month of service you have in excess of 20 years.

A disability occurring under any other circumstances, either on or off the job, is called a **regular disability**, one year of service is required, and the benefit is 45 percent of your average salary. This is equal to a pension for 15 years of service.

To Qualify for Disability

- Your condition must be expected to last at least one year. However, you do not have to wait a year before you apply. Your disability must have occurred before you terminated public employment and you must apply for benefits within 18 months from the date you end your public service. You may not apply if you are already receiving a pension from the PERA Police & Fire Plan, nor can you apply if you are over age 55 and have more than 20 years of service for a duty disability benefit, or more than 15 years of service for a regular disability.
- 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 police officer, firefighter, or paramedic 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 ceased providing services to your employer.

- 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 Police and Fire 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. If you are suffering from a psychological impairment, at least one of the reports must be signed by a licensed psychiatrist or psychologist and the other by a medical doctor. After benefits begin, PERA may require updated medical information at any time.

If the onset of your disability was more than two years ago, you must attach a copy of the job description for the position held during the 90 days prior to filing a disability application.

- 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 designated 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 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. If you have service with another Minnesota public retirement plan, please 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**.

Single-Life Benefit

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

If you are receiving disability payments through PERA, your spouse will qualify for an automatic monthly survivor benefit only if your disability is total and permanent and you are awarded a duty disability. If that is the case, your spouse would receive a benefit based upon 50 percent of your average salary over your last six months of service (60 percent if your death was the direct result of your disabling event). No other Police and Fire Plan disability benefit incorporates an automatic surviving spouse benefit.

Should you die after qualifying for any Police & Fire disability benefit, each of your dependent children will receive 10 percent of that amount. However, the combined monthly benefit for your family cannot exceed 70 percent of the average salary (80 percent if your disability benefit is a total and permanent duty disability and your death was the direct result of the disabling event). If you are not married at the time of your death but you do have dependent children, your child/children will receive a minimum combined benefit of 50 percent of the average salary.

Under state law, a dependent child is your natural or adopted, unmarried child who is:

- under age 18, or
- a full-time student between the ages of 18 and 23. (The benefit for students ends at their 23rd birthday.)

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Dependent survivor benefits are no longer available after you reach age 55 or five years after approval of your disability, whichever is later.

Survivor Options

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.

If your disability continues to age 55 or five years after the effective date of your disability, whichever is later, you will again have the opportunity to change from a Single-life Benefit to a Survivor Option as your disability benefit is converted to a retirement benefit. The same is true if you choose to convert your disability benefit to an early retirement benefit any time after age 50. 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 according to Minnesota statutes and return to work in a non-Police and Fire Plan position, you may continue to receive a disability benefit. If the combination of your earnings and disability benefit exceed 125 percent of the salary you were earning prior to becoming disabled or the base salary currently paid for the same position, whichever is higher, your benefit will be reduced \$1 for every \$3 that salary is exceeded.

Workers' Compensation

Your PERA disability benefit will be reduced if the Single-life benefit plus any workers' compensation you receive exceed the higher of either the salary you were receiving at the time your disability began or the current salary being paid by your former employer for a similar position. If the limit is exceeded, your benefit will be reduced to bring the total amount to the level allowed by law.

Also, if you are receiving workers' compensation and are employed, the combination of your PERA disability benefit, workers' compensation, and earnings cannot exceed the higher of the salary you were earning at the time your disability began or 125 percent of the base salary currently being paid by your former employer for a similar position. If this limit is exceeded, your PERA benefit will be reduced \$1 for every \$3 the total exceeds the limit.

Benefit Increases

Increases to your disability benefit are granted each January. Your initial benefit increase will follow a waiting period after your benefits begin and may be a prorated amount of the total adjustment awarded for that year.

Taxes

According to the Internal Revenue Service, if you are receiving a regular disability, your benefit is fully

taxable until you reach age 50. At that time it is taxed as a retirement benefit. If you are receiving a duty disability, it is tax free until it converts to a retirement benefit. At that time it is taxed accordingly. The base benefit of 60 percent of salary is tax-free for life for a total and permanent duty disability. Any additional benefit based on service is taxable.

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 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 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 publication, the statutes and regulations shall govern.

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A Brief Look at Your Police & Fire Plan Benefits

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