

## YOUR PUBLIC SERVICE SALARY AND CREDITS

A disability benefit from PERA, just like a retirement benefit, is always dependent on your average salary over your five highest-paid consecutive years of public service.

If you are receiving temporary workers' compensation payments, payments may be made to PERA to purchase service or salary credit. However, such payment must be made within one year after the termination of your temporary payments, or within 30 days after your termination of public service, whichever is earlier.

Repayment of refund must be made within six months after the date you file your disability application or within six months after the effective date of the disability benefit, whichever is later.

No other purchase of prior service or payment made in lieu of salary deductions may be made after the occurrence of a disability for which you have filed a benefit application.

## DISABILITY DEFINITIONS

### REGULAR DISABILITY

“Regular disability,” either physical or psychological, means a condition that is expected to prevent a member, for a period of not less than 12 months, from performing the normal duties of the position held by a person who is a member of the Public Employees Police and Fire Plan. It is the result of a disease or an injury that arises from any activities while not at work, or while at work and performing those normal or less frequent duties that do not present inherent dangers that are specific to the occupations covered by the Police and Fire Plan.

*The minimum benefit payable is equal to 15 years of service (45 percent of the average monthly salary over the five highest-paid consecutive years of public service).*

### DUTY DISABILITY

“Duty disability,” either physical or psychological, means a condition that is expected to prevent a member, for a period of not less than 12 months, from performing the normal duties of the position held by a person who is a member of the Public Employees Police and Fire Plan. In addition, it is the direct result of an injury incurred during, or a disease arising out of, the performance of normal duties or the actual performance of less frequent duties, either of which are specific to protecting the property and personal safety of others and that present inherent dangers that are specific to the positions covered by the Police and Fire Plan.

*The minimum benefit payable is equal to 20 years of service (60 percent of the average monthly salary over the five highest-paid consecutive years of public service). The benefit is increased 3 percent for each year of service in excess of 20 years.*

*If you receive a duty disability, you may be eligible for continued health insurance coverage through your employer.*

### TOTAL AND PERMANENT DISABILITY

“Total and permanent disability” means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or psychological impairment which can be expected to be of long-continued and indefinite duration. Long-continued and indefinite duration means that the disability has been or is expected to be for a period of at least one year.

### TOTAL AND PERMANENT DISABILITY CAN BE EITHER “REGULAR” OR “DUTY”

If a disability is deemed to be total and permanent, the minimum benefits payable are the same as “Regular” or “Duty” disability benefits, with the addition of 3 percent of average salary for each year of public service in excess of 15 years (regular disability) or 20 years (duty disability). The election of a survivor option is irrevocable once payments have been issued.

## WHO IS ELIGIBLE TO APPLY FOR DISABILITY BENEFITS

### REGULAR DISABILITY

Any active member under age 55 with at least 1 year of service credit is eligible to apply. Members over age 55 with more than 15 years of service credit are not eligible to apply. Disability benefits are payable until the member reaches age 55, at which time the disability benefit converts to a retirement benefit.

Members over age 55 and with less than 15 years of service credit may receive a disability benefit for 60 months.

### REGULAR TOTAL AND PERMANENT DISABILITY

Any active member with at least 1 year of service credit is eligible to apply. Regular total and permanent disability benefits do not convert to a retirement benefit.

### DUTY DISABILITY

Any active member under age 55 is eligible to apply. Members over age 55 with more than 20 years of service credit are not eligible to apply. Disability benefits are payable until the member reaches age 55, at which time the disability benefit converts to a retirement benefit.

Members over 55 and with less than 20 years of service credit may receive a disability benefit for 60 months.

### DUTY TOTAL AND PERMANENT DISABILITY

Any active member is eligible to apply. Duty total and permanent disability benefits do not convert to a retirement benefit.

**Note:** *Inactive members who have terminated within the last 18 months may be eligible for some types of disability. Please contact PERA representative for more information..*

## IF YOUR BENEFITS ARE APPROVED/DENIED

### APPROVED

You must stop working within 45 days of being notified of the approval of your disability application. If you do not, the application will be canceled. You cannot again apply for disability benefits, for that condition, for a period of one year from the date of cancellation.

Disability benefits become payable when you are no longer receiving any form of compensation from your employer, or 90 days prior to receipt of the application, whichever is later. The benefit will not be calculated until we have received final salary deductions from your employer. However, payment will be retroactive to the effective date of the benefit.

PERA will require you to provide periodic proof that you continue to be disabled.

**Note:** *The Association has the authority to request updated medical reports at any time.*

During February of each year, you will be required to complete an *Annual Earnings Form*, and report any income from employment and/or workers' compensation. If you do not return the form to our office by mid-May, your benefit will be discontinued.

*Depending upon when your benefit becomes effective, the period of time you must wait before becoming eligible for any adjustment varies from 31 to 42 months, and may be prorated. Any benefit increase provided is effective January 1.*

### DENIED

If your application for disability is denied, you will be provided with the opportunity to appeal the denial. If you submitted an application for retirement along with the application for disability, PERA will, upon your written request, process the application for retirement benefits.

## APPLYING FOR DISABILITY BENEFITS

Your disability must have occurred while you were an active public employee, and you must apply while still actively employed or within 18 months from the date you end your public service.

Complete the *Disability Application*. You, and your spouse if married, must sign it in the presence of a notary public. If you qualify, you may apply for both retirement and disability benefits simultaneously. Please include your direct deposit information on your application. PERA requires electronic transfer of payments. Your application is not complete until this information is provided.

If the *Disability Application* is approved, we will cancel the retirement application. However, if your disability application is denied, PERA will, upon written request, process the *Retirement Application*.

Birth documents for both you and your survivor designee are required. If either of your names have changed due to marriage, divorce, adoption or other reason, please provide a copy of the appropriate name change document.

You must provide two medical reports on the forms provided by PERA: a detailed report signed by a licensed medical doctor and at least one additional report signed by a medical doctor, psychologist, APRN or chiropractor. Additionally, for psychological conditions, at least one of the Medical Reports must be signed by a psychiatrist or psychologist.

The medical evidence must support your claim that you are disabled from the normal duties of the position you held when you were initially injured or became ill. However, if the initial injury or illness was more than two years ago, the medical evidence must support your claim that you are disabled from the duties that were expected to be performed by you during the 90 days preceding the last day you performed services for your employer for which you are applying disability for.

The cost of securing documentation is yours.

You are required to submit a record of your pre-employment physical and current job description.

If you are applying for a duty-related disability benefit, the law requires that you provide a First Report of Injury.

Your employer will be required to certify your employment dates. They must also confirm that there is no work available that you can perform and that all reasonable accommodations have been considered.

## TAXES AND WITHHOLDING ON DISABILITY BENEFITS

### REGULAR DISABILITY AND REGULAR TOTAL AND PERMANENT DISABILITY

Your benefit will be fully taxable until age 50. Upon reaching age 50, any already-taxed contributions you may have made will be distributed tax free over your estimated lifetime (and the lifetime of your survivor if you choose a survivor benefit option).

### DUTY DISABILITY

The first 20 years of service credit used to calculate your benefit will be non-taxable. Any service in excess of 20 years used in the calculation of your benefit is fully taxable. When your disability benefit converts to a retirement benefit the entire benefit becomes taxable.

### DUTY TOTAL AND PERMANENT DISABILITY

The first 20 years of service credit used to calculate your benefit will be non-taxable for life. Any service in excess of 20 years used in the calculation of your benefit is fully taxable for life.

### TAX WITHHOLDING

At the time you apply for a benefit, you will choose your tax withholding. You may change your withholding at any time by logging on to your myPERA account ([mnpera.org](http://mnpera.org)) or by completing a new W-4R and W-4MNP.

## FORMS OF PAYMENT/SURVIVOR OPTIONS

At the time you apply for disability benefits, you will have several options as to the form your monthly benefit will take.

### SINGLE-LIFE BENEFIT

A single-life benefit is payable for your lifetime only. Any remaining employee contributions not received as a benefit by you would be distributed to your beneficiaries upon your death, unless you have dependent children. If you choose a single-life benefit and your disability continues to age 55 or five years after the effective date of the disability, whichever is later, you will again have the opportunity to change from a single-life benefit to a survivor option.

If you are receiving duty-related total and permanent disability payments and die before age 55 or the expiration of 5 years after the effective date of the disability benefit, whichever is later, without having selected a survivor option, your spouse will receive automatic survivor spouse benefits. This is the only disability benefit that provides an automatic surviving spouse benefit. That benefit ceases if you are no longer judged to be totally and permanently disabled, at which time you would have the opportunity to select a survivor option. The survivor benefit is based on the average of the full-time monthly base salary rate in effect during the last six months of allowable service.

Your surviving spouse will receive a lifetime benefit of 50 percent of that average salary. If death is directly related to the disabling condition for which benefits were granted, your surviving spouse will receive 60 percent of the average salary.

At age 55, or five years after the effective date of the benefit, whichever is later, automatic surviving spouse benefits are no longer available. You have the opportunity to select a survivor option benefit at that time.

### SURVIVOR OPTIONS

Survivor options do reduce the amount of your monthly benefit. However, upon your death, they will provide lifetime benefits to the individual you name as your survivor. These payments can represent 25, 50, 75, or 100 percent of the amount you were receiving each month.

- » The election of a survivor option is irrevocable once payments have been issued.
- » If you select a survivor option and the survivor designee dies before you, your benefit will “bounce back to the single-life amount once PERA receives notification.

### AUTOMATIC DEPENDENT CHILD BENEFIT

Upon your death, regardless of what type of Police and Fire Plan disability benefits you are receiving, or which survivor option you may have elected, your dependent child(ren) will receive a survivor benefit equal to 10 percent of your average salary during your last six months of public service. The minimum combined family benefit is 50 percent of the average salary, while the maximum family benefit is limited to 70 percent of the average salary. However, if your death is directly related to the duty, total and permanent disabling condition for which benefits were granted, the minimum family benefit is 60 percent of the average salary, and the family maximum increases to 80 percent of that salary. When the benefit converts from disability to retirement, dependent child(ren) benefits are no longer available.

- » A dependent child is defined as your natural, or adopted, unmarried child who is under the age of 18, or a full-time student under age 23. Benefits for students end on their 23rd birthday.

You must sign your application before a notary public. If you are married, your spouse must also sign the application in the presence of a notary, acknowledging the benefit selection. If your spouse fails to sign the application or the signature is not notarized, the 50 percent survivor option will be paid unless you elect the 75 or 100 percent survivor option.

## EARNINGS AND OTHER BENEFIT OFFSETS

### EARNINGS AND PERA DISABILITY

If you are receiving a regular or duty-related disability, you can work as long as the position is not covered by the PERA Police and Fire Plan.

### EARNINGS AND REGULAR OR DUTY DISABILITY

- » Offset 1: applies if you have less service than the minimum benefit you are receiving.
  - » regular disability—minimum 15 years
  - » duty disability—minimum 20 years
- » Offset 2: applies if the disability benefit plus reemployment earnings exceeds what the current base pay is for the position held at the time of disability. If your earnings when added to your disability exceed 100% (but less than 125%) of the base salary currently paid, the disability benefit will be reduced \$1 for every \$2 over. If your earnings when added to your disability exceed 125% of the base salary currently paid, the disability benefit will be reduced \$1 for \$1.

### EARNINGS AND TOTAL AND PERMANENT DISABILITY

If you remain totally and permanently disabled, you may return to employment, as long as that employment is not considered to be substantial gainful activity.

The law does not define “substantial gainful activity.” However, we will likely ask that you provide medical documentation that you continue to be totally and permanently disabled, as defined by law, if you are:

- » earning more than the Social Security limit,
- » working or volunteering more than 20 hours per week, or
- » participating in substantial activity, i.e. attending school on a part-time or full-time basis.

If you remain totally and permanently disabled and have earnings, the combination of your PERA benefit, earnings and/or workers compensation benefit cannot exceed 125 percent of the salary currently paid for the position you held when you became disabled. If the combination of your earnings exceed this limit, we will reduce your benefit \$1 for every \$3 you exceed the limit.

### REDUCTIONS ARE NOT REFUNDED LATER

Any amount deducted from your disability benefit due to employment is not recoverable at a later date.