

FACT SHEET

The Disability Application Process

The defined benefit plans under PERA provide important protection for members when they become ill or are injured and the condition (physical or psychological) is expected to last at least one year. Disability benefits provide a monthly benefit payable before the member reaches retirement age.

The PERA disability application process involves several participants, each with a distinct role. This fact sheet is designed to guide employers through the application process by summarizing the responsibilities of the employee, employer, and PERA staff, describing the requirements that must be met to qualify for a benefit (including those relating to the Correctional and Police and Fire plans effective July 1, 2007), and explaining the reporting steps to take if your entity employs a person receiving PERA disability benefits.

Actions Required To Apply For Disability

Employee/Applicant Responsibilities

To begin the process, the employee (or former employee who applies within 18 months of having terminated employment) should contact PERA to request a disability estimate, an application, and materials explaining the process as well as the

documents needed to support the disability claim.

Note: Before an application is submitted, the employee and employer should consider and possibly discuss the limitations that prevent the performance of any job duties to determine if a reasonable accommodation, such as a modified work schedule, a reassignment, or a job restructuring on a temporary or permanent basis could be made to enable the employee to remain employed in a position within the governmental subdivision.

An individual who decides to apply for PERA disability benefits must complete the Application for Disability Benefits, sign it in the presence of a notary public, and submit it to the PERA office. Additional documents that must supplement the application are:

- A minimum of two medical reports. One report must be signed by a licensed medical doctor and another signed by a licensed medical doctor, psychologist, chiropractor, or Advanced Practice Registered Nurse (APRN). The application includes PERA's Authorization for Release of Medical Records.
- Evidence of age and any name change(s) that have occurred. If the individual chooses a Survivor Option, similar evidence is required for the named survivor.

- If application is being made for a benefit under the Correctional or Police and Fire plans, the individual must also provide the following documents:
 - » copies of all First Report(s) of Injury on file with the employer,
 - » a copy of the job description for the position the individual held on the date of the disability; or, if the onset of the disability was more than two years before the benefit application date, send the job description in effect 90 days prior to the date in which the person filed the disability application with PERA, and
 - » a record of the employee's pre-employment physical examination, if applicable.

Employer Responsibilities

In all situations, the employer must complete the Certification by a Governmental Unit Regarding Disability, which will be mailed by the PERA staff upon receipt of a completed disability application. This form collects information about the applicant's employment status, salary, and receipt of any Workers' Compensation payment.

For those applying for a benefit from the Correctional or Police and Fire plans, the employer must also do the following:

- Complete the Required Employer Information for a Public Safety Disability Applicant form sent by PERA. This form collects information to assist in evaluating the individual's application and obtains information about work

that may have been available for the employee along with any reasonable accommodations considered by the employer and the employer's knowledge of the individual's ability to perform assigned job duties.

- Send copies of all First Report(s) of Injury filed on behalf of the employee.
- Send a copy of the job description for the position the individual held on either a) the date of disability, or b) 90 days prior to filing the disability application if the onset of the disability was more than two years ago.

Processing the Application

Once all required documents have been received, PERA staff will take the following steps:

- Review all submitted documents to ensure that the applicant meets the age and service requirements for applying for disability benefits. Additionally, staff will verify that all required forms and reports are on file.
- Send the application and all supporting documentation to PERA's medical advisor to recommend approval or denial based on the applicable definition of disability.
 - » If approval is recommended, staff notifies the applicant. Payment begins once all accrued sick and vacation hours have been exhausted and we have final salary deductions. The benefit is effective the day following the last day paid, or if the application was filed late, no more than 90 days prior to the date PERA received it
 - » If denial is recommended or it is determined that the disability is not duty-related, the individual is notified in writing and given details about the right of appeal.
 - o If an appeal is filed and accepted by PERA, the case may be referred to an Administrative Law Judge for a Fact-Finding Conference and recommendation. The final decision of whether to approve or deny the application is made by the PERA Board of Trustees upon consideration of the facts and all relevant documentation. The applicant may attend the Board meeting if desired. If the application is denied, the decision can be appealed to the Minnesota Court of Appeals.

Reporting the Wages of a Re-employed Disablitant

Employment after commencement of a disability benefit may impact a person's eligibility for that benefit; therefore, the employing entity has certain reporting responsibilities depending upon the situation, as noted below. In all instances, a representative from the employer should contact PERA (651-296-7460 or 1-800-652-9026) to discuss the employment conditions.

- Individuals drawing benefits under the **Coordinated Plan** who remain *totally and permanently disabled* may be able to return to **part-time employment** with minimal salary and continue to receive the benefits. In these instances of partial reemployment, the employer will not withhold PERA

deductions from the salary, but must report the wages on the salary deduction report under the exempt plan

- Upon written request submitted to PERA, a disabilitant drawing benefits under the **Coordinated Plan** can return to work on a full-time or less than full-time basis for up to six months on a trial basis for the previous employer or to a similar position with another employer. During the six months, the employer will not withhold deductions from the employee's salary unless the disabilitant waives further disability benefits. If employment is extended beyond six months, the employer must begin to withhold PERA deductions from the employee's salary and PERA will discontinue the disability benefit.
- Individuals drawing disability benefits under the Correctional Plan, who remain disabled under the law, can work as long as the position is not covered by PERA's Correctional or Police and Fire plans. The employer will not withhold PERA deductions from these earnings, but must report the wage on the salary deduction report under the exempt plan so that PERA staff can determine if the earnings remain under the limits set in law.
- Individuals drawing disability benefits under the Police and Fire Plan, who remain disabled under the law, can work as long as the position is not covered by the Police and Fire Plan. The employer will not withhold PERA deductions from these earnings, but must report the earnings on the salary deduction report under the exempt plan so that PERA staff can determine if the earnings remain under the limits set in law.

Definition of PERA Disability

Disability means a disabling condition (physical or psychological expected to last at least one year, which, depending upon the retirement plan, makes it impossible for the employee to...

For members of the Coordinated Plan

... engage in any substantial gainful activity.

For members of the Correctional or Police and Fire Plan still working on July 1, 2007

... perform the normal duties of the public safety position that is (or was) held by the individual. There are two types of benefits depending on whether the disabling condition arose out of an act of duty as follows:

- Duty disability – applies if the person becomes disabled as a direct result of any injury, sickness, or other medically determinable condition that incurred in or arose out of the performance of the normal or less frequent duties of the particular position either of which are specific to protecting the property and personal safety of others and that present inherent dangers specific to the public safety positions covered by the applicable plan.
- Regular disability – applies if the disabling condition resulted from a dis-

ease or injury arising from activities while not at work, or while at work and performing the normal or less frequent job duties that do not present inherent dangers that are specific to the occupations covered by the applicable retirement plan.

An individual who applies more than two years after the onset of the disabling condition must be unable to perform the duties of the position that was held 90 days prior to filing the application for disability.

A member of the Police and Fire Plan may also qualify for “total and permanent” disability benefits if he or she cannot engage in any substantial gainful activity, regardless of whether the disability is a duty or regular disability.

Length of Service and Age Requirements

Coordinated Plan

The applicant must be under age 65 and be vested. If the employee's public employment has terminated at any time, at least two of the required years of service to be vested must have been rendered after last becoming an active member.

Correctional Plan

Duty Disability – No minimum service required; however, the person must be under age 65.

Regular Disability – Requires at least one year of Correctional Plan covered employment. Additionally, the individual must be under age 65.

Police and Fire Plan

Duty Disability – No minimum service is required. Individuals over age 55 cannot receive a benefit if they have (or will have) 20 or more years of service credit on the date the benefit would be effective.

Regular Disability – Requires at least one year of PERA-covered public service. Individuals over age 55 cannot receive a benefit if they have (or will have) 15 or more years of service credit on the date the benefit would be effective