

## #4 Ordinary Disability Benefits for City of Milwaukee Employees

### What Are Ordinary Disability Benefits?

If you become totally and permanently incapacitated and cannot perform your job-related duties, you may be eligible for ordinary (non-duty) disability benefits. This brochure provides an overview of Ordinary Disability for City of Milwaukee employees; you can find more detailed information in the Employees' Retirement System (ERS) Member Handbook.

#### *Checklist*

What should you do if you become permanently incapacitated and cannot perform your duties? Work through this checklist and know your rights.

- Read through this pamphlet to see if you qualify for an ordinary disability benefit.
- Get more details on ordinary disability benefits in the ERS Member Handbook (depending on your employee group, consult either the "General City Employees" or "Firefighters and Police Officers" section of the handbook).
- Meet with the Department of Employee Relations or your union representative to determine the benefits available to you, including sick leave, long term disability insurance and finally, ordinary disability.
- Understand how the ability to earn other income may offset your ordinary disability allowance.
- Understand how to apply for disability benefits.
- Know your ongoing responsibility to undergo regular medical examinations while claiming ordinary disability.
- Know how disability benefits affect your tax status.

### Ordinary Disability

#### *Am I eligible for ordinary disability?*

You may be eligible for ordinary disability if you cannot perform your duties because of a non-duty-related injury or medical condition. *Note: Firefighters and Police Officers are eligible for ordinary disability benefits only if they have at least five years of service as a protective service employee.*

#### *What is the ordinary disability allowance?*

**For General City Employees**, the monthly ordinary disability allowance is 90% of what your monthly service retirement allowance would be if you were eligible to retire at the time you became disabled.

If you consented to the Global Pension Settlement or joined ERS on or after June 28, 2000, future Cost of Living Adjustments (COLAs) will increase your benefit.

**For Firefighters and Police Officers**, the monthly ordinary disability allowance depends on how many years of service you had at the time you became disabled. With five years of service, your monthly benefit equals 25% of your final average salary at the time you became disabled. This benefit increases by 2% for each additional year of creditable service – up to a maximum benefit of 50% of your final average salary.

*How long can I receive this benefit?*

Ordinary disability generally continues for as long as you are disabled. However, General City employees with *less than ten years of service credit* will receive ordinary disability benefits for a period equal to one quarter of their actual creditable service.

*Are other earnings taken into account in determining my benefit?*

If you are able to engage in other employment while receiving a disability allowance from the City, a portion of your potential earnings may be offset from your disability allowance. Social Security benefits are not considered outside earnings. ERS will need to see signed copies of your federal tax forms on an annual basis to verify outside earnings, if any, after you start receiving ordinary disability benefits until you reach age 60.

*What if I return to my original (or similar) job?*

You must contact your employer about your job status. Firefighters and Police Officers must comply with the Fire and Police Commission rules regarding returning to your job.

## **Applying for Ordinary Disability Benefits**

There are three key steps in applying for ordinary disability.

### **Step One – Qualifying For Ordinary Disability Benefits**

*Do I qualify for ordinary disability benefits?*

If you are permanently incapacitated as a result of an injury, incident or an illness that is not job related, then you may qualify for ordinary disability benefits.

*What should I do first?*

Read the “Ordinary Disability Benefits” section of the ERS Member Handbook to ensure you understand potential entitlements. Then, telephone the ERS office and speak with a Disability Specialist to request a disability benefit estimate and get answers to any questions you may have about the process.

You can contact the ERS at **(414) 286-3557** or **1-800-815-8418** from outside Milwaukee. An estimate will be sent to you through the mail.

### **Step Two – Arranging a Counseling Appointment**

*What do I do to apply for ordinary disability?*

You need to schedule a counseling appointment with a Disability Specialist. At the counseling appointment, the Disability Specialist will explain the benefit application process, talk you through the benefit application process, and help you complete the necessary paperwork to apply for ordinary disability benefit.

*Will I need to arrange a medical examination?*

Yes. In order to qualify for ordinary disability you must obtain a medical examination, at your expense, and a doctor's recommendation for disability benefits. The Disability Specialist will talk you through this process during your appointment.

### **Step Three – Making a Decision on Your Application**

*Who decides whether I am eligible for ordinary disability benefits?*

The final decision lies with the City's Annuity and Pension Board, but the first step is a review of your doctor's recommendation by the ERS Medical Council. The Council (made up of three doctors appointed by the Board) meets once a month to interview applicants and make recommendations. They will review medical records, consider your doctor's recommendation and ask you questions about your medical condition. You do not need to obtain an attorney, nor would one be allowed to present your views at the session. The Medical Council will either:

- Recommend to the Annuity and Pension Board that you be approved for benefits;
- Request further medical testing, at ERS expense; or
- Recommend to the Annuity and Pension Board that you be denied disability benefits. This recommendation may be appealed.

The Board will notify you, in writing, of the decision at the conclusion of the process.

### **Once Your Application Is Approved**

*Will I have to submit to medical examinations once I've been approved for ordinary disability benefits?*

Until age 60, you will be asked to undergo annual medical examinations by the ERS Medical Council for the first five years you receive benefits, and every third year after that, if your disability continues.

*How does ordinary disability affect my taxes?*

Ordinary disability benefits are generally taxable, however, you will need to contact your tax advisor, state department of revenue or Internal Revenue Service for further information on the tax implications of being placed on ordinary disability.

### **If Your Application Is Not Approved**

*What happens if the ERS Medical Council recommends that I do not receive ordinary disability benefits and the Annuity and Pension Board concurs?*

If the ERS Medical Council recommends denial of an ordinary disability benefit you may request a review as provided under the Wisconsin State Statutes. See Brochure #5 – “ERS Review and Appeals Procedures” for additional information regarding your rights to a review and appeal of any disability benefit determination.