

DISABILITY RETIREMENT

(La. R.S. 11:212, 217, 461, 462, 463, and LAC 58:l:2501-2523)

If you become totally disabled and incapable of performing your normal job duties while employed in state service, you may be eligible to receive a Disability retirement benefit. Disability retirement must be approved by a LASERS authorized physician.

Eligibility

If you are a Regular member and are unable to perform your work duties, you must meet both of the following criteria:

- 10 years of service at any age
- Disability occurred while in active state service

If you are a Regular member eligible for Regular retirement, including the 20 years at any age actuarially reduced retirement, you cannot apply for Disability benefits.

Members of certain specialty retirement plans have different Disability eligibilities and may be eligible for Line of Duty Disability based on their specific plan. If you are a member of one of the following specialty plans, refer to the applicable retirement chapter of this handbook:

- Hazardous Duty Services Plan (HAZ plan)
- Correctional Officers
- Wildlife Agents
- Judges and Court Officers (elected or hired prior to January 1, 2011)

Benefit Accrual

Regular Members approved for Disability retirement will receive a maximum Disability retirement benefit based on an accrual rate of 2.5%. Accrual rates for transferred service and for members of specialty plans may vary.

EXAMPLE

Chris is age 52 and has accrued 10.90 years of service credit. He has an annual final average compensation of \$40,000.00. His maximum Disability retirement benefit would be calculated in the following manner:

$$\begin{array}{ccccccc} \$40,000.00 & \times & .025 & \times & 10.90 & & \\ \text{average} & & \text{accrual rate} & & \text{years of} & & \\ \text{compensation} & & & & \text{service credit} & & \end{array}$$

\$10,900.00 per year
(\$908.33 per month)

APPLICATION PROCESS

To apply for Disability retirement, you must submit the following to LASERS:

- *Form 04-01: Disability Retirement Application.* A complete application must consist of all three parts:
 - Disability Retirement Application (completed by you)
 - Disability Report (completed by your agency)
 - Attending Physician's Statement (completed by a physician)
- Copy of your medical records

If you are approved for disability retirement, your benefits will be paid in accordance with the retirement option you select on your *Form 04-01: Disability Retirement Application*. You cannot change your retirement option selection after you have submitted the *Form 04-01: Disability Retirement Application*.

Once the required documents are received by LASERS, a physician on the State Medical Disability Board will review your medical records. Based on that review, the physician will either:

- Ask for additional records or testing,
- Request an Independent Medical Exam (IME) at LASERS expense, or
- Make a recommendation of approval or denial for Disability retirement.

If additional records and/or examinations are needed, the physician will not make a determination of disability until the necessary records and/or reports have been received. The physician will then submit the medical evaluation and his conclusions as to whether the member should be approved or denied for Disability retirement.

IF YOU ARE APPROVED FOR DISABILITY RETIREMENT

If you are approved for Disability retirement, you must submit the following information to LASERS:

- *Form 04-04: Spousal Consent* (if you are married and select Maximum or Option 1, or name a beneficiary who is not your spouse) . Alternately, you may submit a Certified Matrimonial Contract, Pre-nuptial Agreement, Separate Property Agreement, etc. (if applicable).
- Copies of Social Security cards and birth certificates for you and your beneficiary(ies)
- Certified Copy of a Judgment of Divorce and/or copy of the death certificate from your former spouse (if applicable)
- *Form 04-05: Authorization for Direct Deposit*
- *Form 06-02: Insurance Premium Deduction Authorization* (if applicable)
- *Form W-4P: Withholding Certificate for Pension or Annuity Payments*. This form is not required. If the form is not submitted to LASERS, your federal tax withholding will be set to the IRS default, which is currently "Married with three allowances".
- *Form 07-01: Certification of Unused Annual and Sick Leave* (submitted by your agency)

If You are Denied for Disability Retirement

If you are denied for Disability retirement, you have the right to appeal. To challenge the Board physician's denial, you must file a written appeal within 30 days of the determination.

A second examination will be performed by a State Medical Disability Board physician. You must pay the cost of the second examination. If the second physician agrees with the original physician that you are not disabled, any further appeal must be made through State court.

If the second examining physician disagrees with the findings of the first physician, a third Board physician is selected to provide a decision. The majority opinion of the three examining physicians shall be final, and any further appeal must be made through State court. You must pay the cost of the third examination, but will be reimbursed by LASERS if you are certified as disabled. If your disability claim is denied no reimbursement will be issued. If you fail to appear for an examination and the physician charges a cancellation fee, you will be responsible for this fee.

No retirement benefits will be paid until LASERS receives all of the required documents. Your Disability retirement will be effective the day the application is received by LASERS or the day after you terminate state service, whichever is later. At the time of your Disability retirement, any unused annual and sick leave will be converted to service credit.

Earnings Limits While Disabled

If you receive Disability retirement, you may accept employment that you can perform with your disability. Earnings from employment are limited

to the difference between your final average compensation, adjusted for inflation based on the Consumer Price Index (CPI), and your Disability benefit. You are required to submit a notarized annual earnings statement to LASERS along with a copy of your W-2s and 1040 by May 1 of each year. These statements will be mailed to you by LASERS and require you to detail income earned from employment in the previous calendar year. LASERS may suspend and eventually revoke your disability benefit if this statement is not received in a timely manner.

EXAMPLE

Chris was approved for Disability retirement in 2005 and is currently receiving a Disability retirement benefit of \$908.33 per month. He was working as an Electrical Specialist when he injured his back and could not perform his normal job duties, which included heavy lifting. He has now been offered a position as an office manager, which is acceptable and consistent with his disability since the position will not involve any lifting. His earnings will be limited as follows:

$$\begin{array}{rcccccc}
 \$40,000.00 & \times & 603.9 / 568.9 & - & \$10,899.96 & = & \$31,560.94 \\
 \text{average} & & \text{2008 CPI / 2005 CPI} & & \text{annual disability} & & \text{(annual earnings limit)} \\
 \text{compensation} & & & & \text{benefit} & &
 \end{array}$$

Certification of Continuing Disability

If you receive Disability retirement, you must complete *Form MSD12: Attending Physician Statement (APS)* once every three years following your Disability retirement, until you reach Regular retirement age. LASERS will mail the APS to you. This form must be completed by a physician and returned to LASERS within 30 business days. Failure to comply with certification requirements will result in the termination of your Disability benefits.

Once the APS is received, LASERS may require you to undergo a medical examination. If a medical examination is required, LASERS will schedule the

appointment with a State Medical Disability Board or appointed alternate physician, and notify you of the appointment time and place in writing. LASERS must pay the cost of this examination. If you fail to appear for this examination and the physician charges a cancellation fee, you will be responsible for this fee.

Important Note About Insurance

If you receive Disability retirement, your agency may be responsible for paying 75 percent of your Office of Group Benefits (OGB) health insurance premium. In order to qualify, you must have participated in OGB for 10 years. Please contact your Human Resources Office for any insurance questions.

Returning to Active Service (La. R.S. 11:224 and 11:225)

If you return to active state service you have two choices:

- Return to work and terminate your Disability retirement benefits. You will become a contributing member of LASERS, and any service credit accrued prior to your Disability retirement will be restored, or
- Return to work for a six-month trial period. Your Disability benefits will be suspended while you return to work. Employee and employer contributions should be paid during the length of the trial period. If you terminate employment during the six-month trial period, your benefits will resume without you having to reapply for Disability retirement and employee contributions will be refunded to you. If you continue working for six months or longer, your Disability benefits will be terminated, and employee and employer contributions will resume.

If you return to work for at least three years, the time for which you received Disability benefits will be credited to you for retirement eligibility, but not for the calculation of benefits. In the event that this occurs, your eligibility for Regular retirement or DROP may be affected. ■

EXAMPLE

Chris had 10.90 years of service credit when he began Disability retirement on January 1, 2005. He returned to work on May 1, 2005, for a six-month trial period. He continued to work past this six-month trial period so his Disability benefits were terminated, and all previous service credit was restored. He has now worked over three years so he receives retirement eligibility for the time which he was on Disability retirement. His total service credit is calculated below:

	Eligibility Service Credit	Computation Service Credit
<i>Initial service credit</i>	10.90	10.90
<i>Credit for time while on Disability retirement</i>	.40	0
<i>Service credit earned after returning to work</i>	3.40	3.40
Total Service Credit	14.70	14.30

He currently has 14.70 years for retirement eligibility, and 14.30 years for the calculation of benefits.



MEMBER FORMS

Form 04-01: Disability Retirement Application

Form 04-04: Spousal Consent

Form 04-05: Authorization for Direct Deposit

Form W-4P: Withholding Certificate for Pension or Annuity Payments

Form MSD12: Attending Physician Statement

EMPLOYER FORMS

Available to HR reps only.

Form 06-02: Insurance Premium Deduction Authorization

Form 07-01: Certification of Unused Annual and Sick Leave

Form 10-02A: Re-employment of Disability Retiree

APPLICATION PROCESS

To return to active service after disability retirement, you must submit the following to LASERS:

- *Form 10-02A: Re-employment of Disability Retiree*