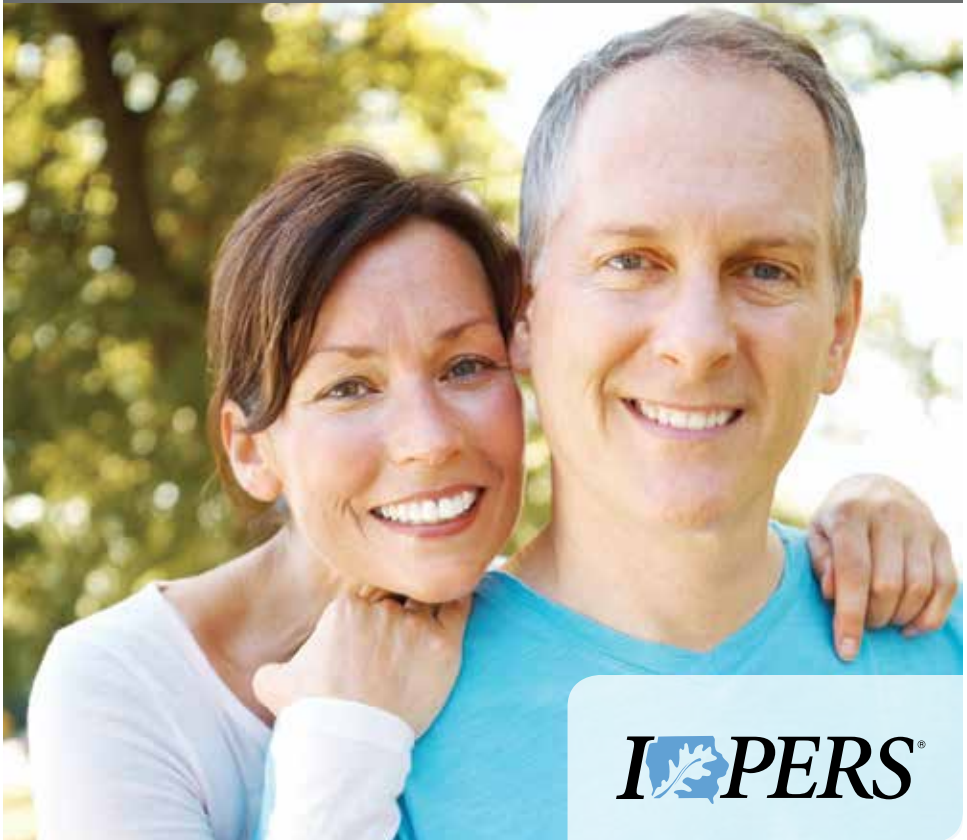




# *Understanding Your Disability Benefits*

Iowa Public Employees' Retirement System



**I PERS<sup>®</sup>**

# Understanding Your Disability Benefits

Iowa Public Employees' Retirement System

IPERS provides important protection for you and your family when you are injured or become ill. Disability benefits provide a monthly benefit that you can receive at any age, without reduction for early retirement. This booklet covers how to determine whether you can receive disability benefits and how to apply.



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This booklet briefly explains certain rights and benefits of IPERS membership. It is not a substitute for federal and state laws governing IPERS, which provide complete information and are subject to change. Although IPERS makes every attempt to ensure its materials are accurate and up to date, any conflict between the contents of the booklet and law must be resolved in favor of the law. The Member Handbook provides a more detailed description of IPERS benefits. It is available on the IPERS website.

# Regular or Special Service?

Before we proceed, make sure you know which IPERS membership group you belong to.

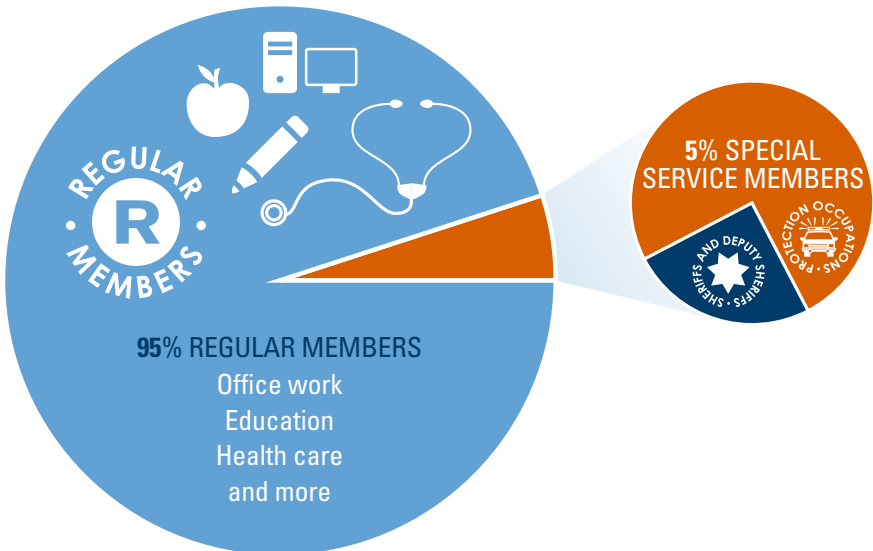
IPERS has three membership groups:

- Regular
- Sheriff/deputy
- Protection occupation

Sheriffs/deputies and members in protection occupations are known as Special service members.



Let the symbols in this booklet guide you to the information that applies to you. If you have hybrid service (service in more than one membership group), contact IPERS to learn about your benefits.





# Regular Disability Benefits

## Eligibility

To qualify for Regular disability benefits, you must:

- **Be vested.**
- **Have ended all IPERS-covered employment.**
- **Be receiving federal Social Security disability** or Railroad Retirement disability benefits.

If you are under age 65, you must also:

- **Provide proof to IPERS that you remain eligible for federal Social Security disability** or Railroad Retirement disability benefits each year, and submit complete copies of your federal and state tax returns.
- If you cannot show proof and you are under age 55\*, your benefits will stop.
- If you cannot show proof and you are between ages 55\* and 65, your benefits may be reduced to “nondisability” benefits.

## When Can Benefits Start?

If you are at least 55 years old, you can begin receiving IPERS retirement payments before you start receiving federal Social Security disability or Railroad Retirement disability benefits. If you are under age 55, you cannot receive any payments from IPERS until you have proved your eligibility for federal Social Security disability or Railroad Retirement disability benefits.

## Benefit Amount

Regular disability benefits equal the amount of the retirement benefit you earned at the time you left employment, without reduction for retiring before normal retirement age. You may receive up to 36 months of retroactive payments if you are eligible.

## If You Return to Work

Your IPERS Regular disability benefits are not affected if you take a job with a non-IPERS-covered employer.

If you return to work for an IPERS-covered employer, the rules described in IPERS' "Returning to

Work After Retirement" booklet may apply to you (in addition to the rules on continuing eligibility above). See the booklet for the rules on:

- Bona fide retirement
- Earnings limit

*\*If you are a sheriff or deputy sheriff with at least 22 years of service and you are receiving Regular disability benefits, your benefits may be affected before you reach age 50.*

## How to Apply for Regular Disability Benefits

- 1 Complete an *Application for IPERS Retirement Benefits*.**  
Be sure to complete the section "Disability Retirement."
- 2 Indicate that you have applied for or have been awarded Social Security disability or Railroad Retirement disability benefits,** even if you have not yet been awarded benefits.
- 3 With your application, provide a photocopy of the letter of award indicating your first month of entitlement for federal Social Security disability or Railroad Retirement disability benefits.** If the federal Social Security disability or Railroad Retirement disability award is still pending, provide IPERS with the letter of award as soon as possible. In some cases, you can begin drawing IPERS payments before your federal disability benefit is awarded.
- 4 Send your completed application and supporting documentation to IPERS.**



# Special Service Disability Benefits

## Eligibility

To be eligible for Special service disability benefits, you must:

- **Be vested.**
- **Have a disability that began while you were employed in an IPERS-covered Special service job** — but not necessarily while you were on duty.
- **Leave your IPERS-covered Special service job** because of your disability.
- **Apply for benefits** within one year of leaving your IPERS-covered Special service job.
- **Complete a medical exam** by the Medical Board of the University of Iowa, unless waived by IPERS.

Once you have been awarded Special service disability benefits, you may be required to have an annual examination to determine whether your disability still exists.

You must also provide a complete copy of your state and federal tax returns to IPERS every year.

## Benefit Amount

Your benefit amount depends on whether IPERS considers your disability an ordinary disability or an in-service disability. You may receive up to 6 months of retroactive payments for the time while IPERS is determining whether you have a disability, before you start receiving Special service disability benefits. Certain other benefits you receive will offset (reduce) the amount of your Special service disability benefits. (See the next page.)

## Benefit Offsets

Your Special service disability benefits will be offset, or reduced, by other payments you receive for the same disability, including benefits from:

- Social Security
- Long-term disability insurance
- Workers' compensation
- Unemployment insurance
- Employer-paid disability plans, programs, or policies
- Other laws

If you receive any of these other payments as a lump-sum payment, IPERS will calculate an equivalent monthly benefit offset.

IPERS will review your tax returns to determine if offsets apply to your Special service disability benefits based on the income you declared on the tax returns. If you cannot provide proof of your earnings, your disability benefits will be suspended.

## If You Return to Work

If you return to IPERS-covered employment after you begin receiving Special service disability benefits, benefits will stop immediately. If you return to non-IPERS-covered employment, your benefits may be reduced.





# 1 Ordinary Disability

An ordinary disability means a permanent disability, resulting in mental or physical incapacity, that stops you from performing the assigned duties of your job. An ordinary disability comes from an injury or illness that did not occur on the job.

Annual ordinary disability benefits are determined as one of the following, whichever is greater:

- **50%** of your highest three-year average salary.
- **The amount of retirement benefits you had earned at the time of your disability**, without reduction for retiring before normal retirement age.





## 2 *In-Service Disability*

An in-service disability means a total and permanent (expected to last more than one year) incapacity resulting from an on-the-job injury, disease, or exposure that occurred at a specific time and place and prevents you from performing your job. Annual in-service disability benefits equal one of the following, whichever is more:

- **60%** of your highest three-year average salary.
- **The amount of the retirement benefit you earned at the time of your disability**, without reduction for retiring before normal retirement age.

IPERS presumes certain disabling conditions began on the job (unless there is credible evidence to the contrary). These conditions are called presumptions. They may help you meet the requirements to become eligible for in-service disability benefits.

### THE FOLLOWING CONDITIONS ARE PRESUMPTIONS FOR IN-SERVICE DISABILITY BENEFITS:

- Heart disease
- Lung disease
- Respiratory tract disease
- Certain types of cancer:
  - Prostate cancer
  - Primary brain cancer
  - Breast cancer
  - Ovarian cancer
  - Cervical cancer
  - Uterine cancer
  - Malignant melanoma
  - Leukemia
  - Non-Hodgkin's lymphoma
  - Bladder cancer
  - Colorectal cancer
  - Multiple myeloma
  - Testicular cancer
  - Kidney cancer
- Certain infectious diseases:
  - Acquired immune deficiency syndrome (AIDS)
  - Human immunodeficiency virus (HIV)
  - Hepatitis (all strains)
  - Meningococcal meningitis
  - Mycobacterium tuberculosis



# Comparing Disability Benefit Types

If you are eligible for Special service disability benefits and Regular disability benefits, the information in this section will help you choose the one that is right for you. IPERS benefit counselors are available to answer your questions and help you make an informed choice.

## Taxability

Regular disability benefits and ordinary Special service disability benefits are taxable. In-service Special service disability benefits are not taxable, unless you choose benefit payment Option 2 (annuity with variable decreasing lump-sum death benefit).

If you have a substantial amount of service credit, you may find retirement benefits or Regular disability benefits provide the larger net amount, even though they are taxable. Death benefits payable to your beneficiary(ies) will receive the same tax treatment as the benefits you were receiving.

## Retroactive Payments

If you retire with Special service disability benefits, you may qualify

for up to 6 months of retroactive benefits. However, if you retire with Regular disability benefits, you may qualify for up to 36 months of retroactive disability benefits.

## Benefit Offsets

Special service disability benefits are subject to an offset, or reduction, for other disability-related payments you are receiving for the same disability. See page 7 for more information. Regular disability benefits are not subject to offsets.

## Converting Special Service Disability Benefits to Regular Disability Benefits

If you retire with Special service disability benefits and later qualify for Social Security disability or Railroad Retirement disability benefits, you can convert your Special service disability benefits to Regular disability benefits. However, if you start receiving Regular disability benefits first, you cannot switch to Special service disability benefits later. See page 13 for more information.



	Regular Disability Benefits	Special Service Disability Benefits
<b>Taxability of benefits</b>	Taxable	<ul style="list-style-type: none"> <li>• <b>Ordinary disability benefits</b> are taxable.</li> <li>• <b>In-service disability benefits</b> are nontaxable unless you choose benefit payment Option 2.</li> </ul>
<b>Retroactive payments</b>	Up to 36 months before you began receiving benefits	Up to 6 months before approval of application
<b>Continuing eligibility</b>	<p>If you are under age 65, IPERS will request proof of your continuing eligibility for federal Social Security disability or Railroad Retirement disability benefits each year.</p> <p>You must provide complete copies of your state and federal tax returns to IPERS each year.</p>	<p>You may be required to undergo an annual examination to determine whether you remain eligible for disability benefits.</p> <p>You must provide complete copies of your state and federal tax returns to IPERS each year.</p>
<b>Are benefits offset (reduced) if you receive other disability-related payments?</b>	No	Yes
<b>Will your benefits be affected if you return to work?</b>	Benefits may continue, subject to your continuing eligibility for federal Social Security disability or Railroad Retirement disability benefits.	<p><b>Noncovered employment:</b> Benefits may be reduced.</p> <p><b>Covered employment:</b> Benefits will stop.</p>

## Special Service Disability Benefits

To begin the disability benefits application process, call IPERS. An IPERS benefit counselor will help you determine whether you should apply for Special service disability benefits or Regular disability benefits. Here are the steps to apply for Special service disability benefits.

**1 Complete an *Application for IPERS Special Service Disability Benefits*.** There are three sections to the application:

- General information about yourself.
- Information about your disability and medical questions.
- Information your employer must provide.

**2 Send IPERS your completed application.** To expedite processing, send all completed sections of the application in one envelope. IPERS cannot begin processing your application until all information has been received.

**3 IPERS will review your application** and then send it to the Medical Board of the University of Iowa.

**4 You may undergo an exam** with physicians from the Medical Board. Exams take place in Iowa City. You will receive reimbursement for food, travel, and lodging expenses. Contact IPERS for current reimbursement rates.

**5 The Medical Board will provide IPERS with a letter** stating whether or not they believe you can perform your job duties and have a permanent disability.

**6 IPERS will send you and your employer a letter** stating the opinion of the Medical Board. (This Board does *not* determine what type of disability benefits you should receive.)

**7 You have ten days from the date on the letter from IPERS to provide more information.** IPERS then determines eligibility for benefits and the type of disability (ordinary or in-service), and notifies you of the determination.

**8 If you are receiving any other disability-related payments,** you must complete a form indicating the type and amount of other disability benefits you are receiving. Your IPERS benefits may be reduced (offset) by the other benefits you are receiving.

# Switching From **Special Service** Disability Benefits to **Regular** Disability Benefits

If you are receiving Special service disability benefits and are awarded federal Social Security disability or Railroad Retirement disability benefits, you have the option of switching your Special service disability benefits to Regular

disability benefits. You must apply for Regular disability benefits within 60 days from the date of the federal Social Security disability or Railroad Retirement disability award letter.

## *Special Considerations*

### WHEN CONSIDERING SWITCHING BENEFITS, YOU SHOULD:

- **Weigh your options carefully.** Once you switch from Special service disability benefits to Regular disability benefits, your decision is final.
- **Call IPERS to request an estimate showing the Regular disability benefits you may be eligible to receive.** At that time, you should also request an *Application to Switch Special Service Disability Benefits to Regular Disability Benefits*.

### IF YOU CHOOSE TO SWITCH BENEFITS:

- **Complete the entire application and have the last page notarized.** If you are married, you will also need your spouse's notarized signature. Provide a copy of your federal Social Security disability or Railroad Retirement disability benefits award letter.
- **Send your completed application and supporting documentation to IPERS.** An incomplete application will be returned to you and may cause a delay or loss of benefits.

# Notes

A series of 20 horizontal dotted lines for taking notes.





# Questions? *Contact us.*

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**info@ipers.org**

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**1-800-622-3849** (toll-free)

Monday–Friday

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