

PSERS Plan 2 Disability Benefits

Washington State Department of Retirement Systems



If you are a member of the Public Safety Employees' Retirement System (PSERS) and become disabled, you might be entitled to a monthly disability benefit.

You might also be eligible for benefits from the *Washington State Department of Labor & Industries* (Workers' Compensation benefits), the *Washington State Department of Social and Health Services*, the federal *Social Security Administration*, and your employer. For more information, contact these organizations directly.



Am I eligible for a disability benefit?

To be eligible for a monthly disability benefit, you must be totally incapacitated for continued employment with your PSERS employer and you must leave that employment as a result of your disability. If you are on any type of leave, you have not separated from service.

Example

Joseph is disabled and on unpaid leave from his job. He is not eligible for a disability retirement allowance, because his employer is still reporting him as an employee. However, Joseph may apply for disability retirement and receive a determination of eligibility from DRS before separating from employment.

No minimum amount of service credit is required for you to be eligible for a PSERS disability retirement. However, your years of service credit determine the reduction taken on the benefit.

DRS determines disability based on your condition at the time you separate from employment. You are responsible for providing the medical information to show that you are totally incapacitated for continued employment. Your doctor must support any opinions or conclusions with objective data, such as observations recorded in office-visit notes and tests. You are responsible for all medical costs associated with qualifying for a disability retirement.

Questions answered inside this publication

How do I apply for a disability retirement?

How long does it take to approve or deny an application?

What happens once I receive a determination from DRS?

Can I work after retiring for a disability?

If eligible, what will my monthly benefit amount be?

What is the lump sum option?

Can I lose my benefit?

Can I still purchase service credit?

What happens if a payment error occurs?



How do I apply for a disability retirement?

To apply for a disability benefit, you must take the following steps:

1. Contact DRS to request an application packet and benefit estimate. Have the following information ready:
 - Name
 - Address
 - Daytime phone number
 - Social Security number
 - Retirement system and plan
 - Spouse's or registered domestic partner's name and birth date
 - The date you became disabled
 - Whether the disability was incurred on the job
2. Review your entire packet. Three different people must fill in three separate application sections and then return them to DRS.
 - **Plan 2 Application for Disability Retirement (Part 1 of 3):** You need to complete this section, sign it and have it notarized. If you have a spouse or registered domestic partner, that person's signature must also be notarized.
 - **Employer's Statement and Report (Part 2 of 3):** Complete the Member Information section, and then send this form to your employer. Your employer will complete the remainder of the form, sign it and mail it to DRS.
 - **Disability Retirement Medical Report Application:** Fill in this form's first page, including the Member Information and Mandatory Information sections. Then send the form and your job description to each physician treating you. Your physician(s) will complete the remainder of the form, sign it and mail it along with supporting documentation to DRS.

Note: The application review process will begin after DRS has received all three parts.



How long does it take to approve or deny an application?

An initial determination can be made within four to six weeks of DRS receiving all three parts of the application as well as all the needed support documentation.

Please send the following documentation with your disability application:

- All medical records, reports and charts about your disabling condition
- Complete physician information, especially if you are being treated by more than one doctor
- Clarification from your employer regarding your job specification information
- Department of Labor & Industries or self-insurer file documentation, such as the *Report of Accident (ROA)*, *Independent Medical Examinations (IME)* and vocation records

You may apply for disability retirement from DRS before separating from employment. If you have already separated, you may still apply for disability retirement as long as you were disabled at the time of your separation.



What happens once I receive a determination from DRS?

If you receive a denial: You may petition for a review within 120 days of receiving your denial letter. If your petition is denied, you will be informed of appeal procedures. You will have 60 days to appeal the decision.

If you are approved: DRS will mail you an approval letter with additional information. You must separate from employment to begin receiving your monthly disability benefit.

If you have not separated from employment within 90 days of your approval date, DRS will rescind its approval. If that happens, you must

reapply and submit current medical evidence to be considered for a disability benefit.

Your retirement date is the first of the month following your date of separation. For example, if your application is approved May 4, and you separate from service May 15, your retirement date is June 1 and you will receive your first monthly benefit on the last working day of June.

Can I work after retiring for a disability?

Your disability benefit could be affected if you go to work for any public employer in Washington state. In some cases, depending on the position and the extent to which you work, your disability benefit might be suspended and you might be required to make contributions to a retirement system. If you decide to return to work, call DRS to determine how your benefit will be affected.

If eligible, what will my monthly benefit amount be?

If eligible, your disability benefit will be calculated using the following equation:

$$2\% \times \text{service credit years} \times \text{Average Final Compensation (AFC)} = \text{monthly benefit}$$

AFC is based on your 60 consecutive highest-paid service credit months. "Service credit" is the credit you receive each month for working in a position covered by one of the state retirement systems, in this case PSERS Plan 2.

However, your benefit will be reduced to reflect the difference between your age at the time of retirement and age 60 or 65, depending on years of service. If you have:

- 10 or more service credit years in PSERS, your benefit is reduced from age 60
- Fewer than 10 service credit years, your benefit is reduced from age 65

What is the lump sum option?

If your monthly benefit will be less than \$50, you may choose between a monthly benefit and a lump sum payment. If you choose the lump sum payment, you are considered retired from PSERS Plan 2. If you choose a monthly benefit, you cannot take a lump sum payment at a later date.

Can I lose my benefit?

If you are receiving a monthly disability benefit, DRS might require you to undergo comprehensive medical examinations at DRS' expense. You or your doctor must report any changes in your condition to DRS. If medical examinations show you have recovered from your disability, DRS will cancel your disability benefit and issue an order that you be restored to duty. If this happens, you will be entitled to notice and a hearing.

Can I still purchase service credit?

If you are injured in the line of duty, you may purchase up to 24 months of service credit while on leave for the disability. To be eligible to make a purchase, you must meet the following requirements:

- You must have been injured in the line of duty.
- You must be eligible to receive Workers' Compensation benefits.
- You must pay retirement contributions plus interest on the compensation you would have earned had you been working.

What happens if a payment error occurs?

If you receive an overpayment of your monthly benefit, you will be required to repay it to DRS. If you receive an underpayment, DRS will correct the error and pay you the amount owed.

Taxation and assignment of benefits

Federal income taxes: A duty disability benefit is not taxable for amounts up to 10 percent of your FAS. A nonduty disability benefit is subject to federal income tax. You will need to complete a *W-4P form* so the proper tax amount is withheld from your monthly benefit.

If you do not complete the form, DRS will apply IRS withholding rules as though you are married and claiming three exemptions. This is regardless of the number of exemptions you qualify to claim on your income tax return.

Assignment and attachment of benefits: Your disability benefit could be subject to assignment

or attachment to satisfy court and administrative orders for spousal or domestic-partnership maintenance and child support or orders federal law authorizes.

DRS is authorized to divide pensions between members and ex-spouses or ex-partners based on court-ordered property division. If the divorce decree or dissolution of domestic partnership complies with the applicable law, DRS will send the property-division payment directly to the ex-spouse or ex-partner. For more information, refer to the publications *Can Legal Action Affect My Retirement Account?* and *How Can a Property Division Affect My Retirement Account?*

Contact DRS

<p>Call </p> <p>Olympia 360.664.7000 Toll free 800.547.6657 TTY 711 DCP 888.327.5596</p>	<p>Write </p> <p>Department of Retirement Systems PO Box 48380 Olympia, WA 98504-8380</p>	<p>Email </p> <p>recep@drs.wa.gov</p> <p>It might be possible for other people to read messages sent over the Internet. If you contact us by email, please include only the last four digits of your Social Security number.</p>
<p>Visit </p> <p>6835 Capitol Blvd. Tumwater, WA 98501</p> <p><i>Directions</i> are available on the DRS website.</p>	<p>Hours </p> <p>Monday - Friday 8 am to 5 pm PST</p>	<p>Website </p> <p>www.drs.wa.gov</p> <p>You can also send us email through the DRS website. Visit the <i>Contact Us</i> page.</p>

Privacy of your information

We are committed to protecting the privacy of your account information, including your Social Security number, which we use to track your account and submit required reports to the IRS. We will not disclose your information to anyone unless we are required to do so by law. If you have insurance coverage through PEBB, we might share your information with PEBB to better serve you.

Summary

This document is a summary. It is not a complete description of a disability benefit. State retirement laws govern your benefit. If a conflict exists between the information in this document and what is contained in current law, the law governs.