

PERS/SERS/TRS Plans 2 and 3 Disability Benefits

Washington State Department of Retirement Systems



If you are a Plan 2 or Plan 3 member of the Public Employees' Retirement System (PERS), School Employees' Retirement System (SERS) or Teachers' Retirement System (TRS) 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 PERS, SERS or TRS employer and you must leave that employment as a result of your disability.

No minimum amount of service credit is required for you to be eligible for a PERS, SERS or TRS 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. If you are on any type of leave, you haven't separated from service.

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.



If I receive a disability benefit, will I still have medical coverage?

If the state Health Care Authority (HCA) provides your medical coverage, call 800-200-1004 to request information concerning continuation of coverage.

Questions answered inside this publication

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How do I apply for a disability retirement?

To apply for a disability benefit, take these 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 parts and then return them to DRS.
 - **Application for Disability Retirement for Plan 2 and Plan 3 Defined Benefit (Part 1 of 3):** You need to complete this form, sign it and have it notarized. If you have a spouse or registered domestic partner, that person's signature must also be notarized.
 - **Employer Statement Regarding Disability Retirement Application (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.
 - **Medical Report for Disability Retirement Application (Part 3 of 3):** Fill in this form's first page, including the Member Information and Employment Options 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.

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 DRS 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 haven't 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 defined benefit will be calculated using one of the following equations:

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

Plan 3: $1\% \times \text{service credit years} \times \text{Average Final Compensation (AFC)} = \text{monthly benefit}$

That said, your benefit will be reduced to reflect the difference between your age at the time of retirement and age 65.

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 DRS-covered position.

Plan 3 members: You have both defined benefit and defined contribution parts to your plan. This booklet discusses accessing your defined benefit. You may access your defined

contribution funds any time after you separate from DRS-covered employment. To learn more, visit the [Plan 3 Withdrawals](#) webpage.



What is the lump sum option?

The lump sum option is available to members whose monthly benefits would be less than a set amount. Those members may choose between a monthly benefit and a lump sum payment:

- **Plan 2 members:** Less than \$50 a month
- **Plan 3 members:** Less than the minimum payment, an amount that changes annually (contact DRS for the current figure)

If you choose the lump sum payment, you are considered retired from your retirement plan. If you choose a monthly benefit, you can't 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?

You may purchase up to 24 months of service credit while on leave for a disability if you meet all the following eligibility criteria:

- You were injured on the job on or after:
 - » **PERS or SERS:** March 27, 1984
 - » **TRS:** July 22, 2007
- You are eligible to receive Workers' Compensation benefits.
- You pay retirement contributions plus interest on the compensation you would have earned had you been working.

Additional considerations

Payment errors: If you receive an overpayment of your 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.

Cost-of-Living Adjustments (COLAs): On July 1 of every year following your first full year of retirement, your monthly benefit will be adjusted to a maximum of 3% per year, as determined by the *Consumer Price Index*.

Federal income taxes: DRS will report your benefits to the Internal Revenue Service (IRS) as taxable income. Any tax benefits will be realized when you file your federal income taxes.

Please consult a tax professional for more information. DRS team members aren't able to give tax advice.

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?*

To contact DRS

<p>Call </p> <p>360.664.7000 800.547.6657 TTY 711</p>	<p>Write </p> <p>Department of Retirement Systems PO Box 48380 Olympia, WA 98504</p>	<p>Email </p> <p>General inquiries: drs.contact@drs.wa.gov</p> <p>Send a secure message through your online account: drs.wa.gov/oa</p>
<p>Visit </p> <p>6835 Capitol Blvd. SE Tumwater, WA 98501</p> <p>See the DRS website for directions.</p>	<p>Hours </p> <p>Monday - Friday 8 am to 5 pm Pacific Time</p>	<p>Website </p> <p>drs.wa.gov</p> <p>You can also send email through the Contact Us page on the DRS website.</p>

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.