

# *An Overview of Disability Benefits*

*For active State and Teacher members,  
and active PLD members who are  
covered under the MainePERS Article 3-A  
Disability Plan*



OCTOBER 2007



# An Overview of Disability Benefits

A publication of  
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The information in this handbook is intended to give you a general understanding of benefits available to members of Maine Public Employees Retirement System (MainePERS). The contents are not the basis of any rights between the MainePERS and any party, nor does this handbook provide all of the detail of the laws and rules that govern MainePERS membership and related rights. There are frequent changes to the statutes and rules relating to MainePERS, and the most recent law may not be reflected in this handbook. Before making a decision relating to your rights and benefits, you should review current law, and consult with MainePERS staff and your own advisers.

Among the benefits available to members of the Maine Public Employees Retirement System (MainePERS or “the System”) is the disability retirement program. This handbook briefly explains who is eligible to receive disability retirement benefits, how to apply for these benefits, the application process, how to estimate the amount of benefits, and what happens once a member begins receiving benefits.

## Who Is Eligible for Disability Benefits

To be eligible to receive disability retirement benefits, you must meet all of the following criteria:

- ◆ You must have a permanent mental or physical incapacity that makes it impossible for you to perform the duties of your job or of another job of comparable stature and compensation that your employer has offered you.
- ◆ You must have become incapacitated before reaching your normal retirement age (usually 60 or 62, depending on your specific retirement plan), unless you elected the No-Age-Limit Disability Plan in 1993 or were first hired, or rehired, on or after October 16, 1992.
- ◆ At the time you became incapacitated, you must have been on your employer’s payroll (which includes a paid leave of absence) and making contributions to MainePERS.
- ◆ There are no job modifications that your employer will make that would allow you to do your job, such as changing your job duties or the way you perform a certain task, or providing special equipment for your use.
- ◆ If, at the time you apply for disability retirement benefits, your incapacity has already continued for more than two years, you must meet additional criterion. You are required to show that your incapacity prevents you from performing any “substantially gainful activity,” meaning any work for which you are qualified by training, education, or experience, and for which you could earn at least 80% of your adjusted average final compensation, adjusted by any cost-of-living adjustments (COLA)).

You may not be eligible for disability benefits if you have fewer than five years of continuous creditable service immediately prior to applying for disability benefits and your disability is the result of a pre-existing condition. However, even under those circumstances, you may be eligible for benefits if your incapacity due to the pre-existing condition has been aggravated by an injury or accident received in the line of duty but not as a result of your usual job duties.

Please note that one of the requirements for eligibility for disability retirement benefits is that the applicant must be a member of Maine Public Employees Retirement System. Members who terminate employment and take a refund of contributions are not eligible for disability retirement benefits.

If you have questions about your particular situation, please call the MainePERS Disability Unit where one of our representatives will be available to discuss your situation with you.

### **When to Apply**

You should apply for disability benefits as soon as you become incapacitated. Retroactive benefits are not available earlier than six months prior to the date of your application.

We urge you not to wait until all of your financial resources are exhausted before you consider applying for benefits. If you are receiving any type of short-term disability benefit, including Income Protection, applying for MainePERS disability retirement benefits may affect that benefit. Check with the agency responsible for administering your short-term plan to determine if receiving a MainePERS disability benefit will affect other disability income. Please contact the MainePERS Disability Unit with any questions regarding our program. Eligibility for one program does not establish eligibility for another.

Terminating your job, or going on an unpaid leave of absence, before you are formally approved for disability retirement could affect benefits such as health insurance, life insurance, and/or survivor benefits. To find out exactly what benefits you have, and how to protect them while applying for disability benefits, please consult your employer.

## How to Apply

To apply for disability benefits, request a Disability Retirement Benefits Application Package from our Disability Unit by calling us at 1-800-451-9800, (207) 512-3170 or TTY (207) 512-3102.

The application requests a copy of your birth certificate. In some instances, the System must verify date of birth in order to establish eligibility to apply for disability retirement benefits. Also, if your application is approved, we cannot begin payments without having a copy of your birth certificate.

The application asks you to:

- ◆ describe your condition(s)
- ◆ identify all doctors and caregivers who have treated you
- ◆ list any hospitals or clinics where you have received treatment.
- ◆ identify your primary care physician
- ◆ provide information about the job you held when you became incapacitated, what tasks you are unable to perform, and the name of your employer

The consent forms allow us to obtain records from the health care providers you identify on your application and from your employer.

It is your responsibility to make sure MainePERS has enough medical information to establish your eligibility for benefits. The information needs to show that it is impossible for you to do your job and that this incapacity is expected to be permanent. If the information does not establish these facts, MainePERS cannot approve benefits.

The application review process typically takes four to six months. The review process will take longer if we receive incomplete information, or if medical reports from your physician(s) or other health care providers are not submitted timely.

## Workers' Compensation and Social Security

If the condition(s) for which you are applying for a disability retirement benefit is work-related, you must provide proof that you have applied for Workers' Compensation benefits. Workers' Compensation is considered "earnable compensation" and you will continue to receive creditable service towards retirement. You must pay the employee share of any MainePERS contributions due on Workers' Compensation payments you receive while still employed. If you are receiving Workers' Compensation payments, contact MainePERS to make arrangements to pay these contributions.

If you are employed by an employer who also pays into Social Security, you must provide proof that you have made application for Social Security disability benefits before you file an MainePERS disability application.

If you have questions while filling out the forms or with any aspect of the application process, we will be available to assist you. As soon as we receive your completed application and consent forms, we will assign your application to a representative of our Disability Program, who will be available to answer your questions.

## What Happens after Approval or Denial

### Approval:

The System will notify you in writing. Once you have terminated your position and your employer verifies your last date in pay status, we will determine the effective date of your benefit. If there is a delay in receiving your first benefit payment, you will receive a retroactive benefit for the time between when your benefit became effective and the time you receive your first benefit payment.

You may be eligible to receive a preliminary, or partial, benefit in the month that MainePERS receives notice from your employer that you have terminated your job, provided that notice is received before the 10th of the month.

## **Denial:**

If your application for disability benefits is denied, you will receive an Initial Decision of the Executive Director informing you of the reason or reasons. You will have six months in which to submit additional information you would like considered prior to having a Final Decision. If the Final Decision is also a denial MainePERS will notify you of your right to appeal. The decision letter you receive from MainePERS will outline the procedure for filing an appeal, the deadline to file, and your right to third-party representation. If your appeal to the Board of Trustees is unsuccessful, you then have a right to appeal to the Superior Court.

## **Reviewing Your Continued Eligibility for Disability Benefits**

The System may review for continued eligibility for disability benefits at any time. Generally, the review period is every two years. You must meet a different standard in order to continue to receive your benefit. You must show that your incapacity prevents you from performing any “substantially gainful activity,” (SGA) meaning any work for which you are qualified by training, education, or experience, and for which you could earn an amount equal to your SGA standard.

Your ability to engage in substantially gainful activity is based upon your ability to engage in work which results in annual earnings that exceed \$20,000, or 80% of your average final compensation (the average of your three highest years of compensation) at retirement, whichever is greater, adjusted by any cost-of-living adjustments (COLA).

If at any time we determine that you are able to engage in substantially gainful activity and therefore no longer meet the eligibility requirements for disability, the law requires that your benefit be discontinued. Your benefit will continue until you find employment as long as you demonstrate to MainePERS that you are actively seeking work.

Often, a person finds that he or she can go back to work. If the System determines, based on examinations or tests that the disability no longer exists, the disability retirement benefit ends.

## Rehabilitation Services

MainePERS may arrange vocational rehabilitation services at the request of the disability retiree to assist with the transition back into the workforce. The vocational rehabilitation focus is on providing services that, in combination with your training, education, and experience, would allow you to engage in employment considered substantial gainful activity.

## Benefit Amounts

- ◆ **No-Age-Limit Disability Plan**  
If you are covered by the No-Age-Limit Disability Plan, you will receive 59% of your average final compensation for as long as you continue to be eligible for disability benefits. Your disability retirement benefit will change to a regular service retirement benefit at the point when the two benefits become equal.
- ◆ **Age-Limited Disability Plan**  
If you are covered by the Age-Limited Disability Plan, you will receive 66-2/3% of your average final compensation for as long as you continue to be eligible for disability benefits. Your disability retirement benefit will change to a regular service retirement benefit at the point when the two benefits become equal, or 10 years after your normal retirement age, whichever occurs first.

If you are unsure of the Disability Plan under which you are covered, please contact the MainePERS Disability Unit.

## The Effect of Other Income on Your MainePERS Disability Benefit

- ◆ The law requires that your MainePERS disability benefit be reduced if: 1) you receive disability benefits under Workers' Compensation (or similar law) for the same disability, or 2) you receive Social Security disability benefits for the same disability and from the same employment that qualifies you to receive MainePERS disability benefits. The combination of the above-mentioned benefits and your disability retirement benefit cannot exceed 80% of your average final compensation.

- ◆ If you receive a MainePERS benefit greater than you are entitled to because of Workers' Compensation or Social Security disability benefit payments, you will be required to repay MainePERS any overpayments you received.

If you receive MainePERS disability benefits and you also receive a benefit or lump-sum settlement from Workers' Compensation or Social Security at any time, it is your responsibility to notify us immediately so that any required deductions can be made from your disability retirement benefit. These deductions will always be retroactive to the date they should have been effective.

### **Earnings From Employment**

The amount of money you may earn while receiving MainePERS disability benefits is limited by law. If you earn more than the allowed amount, the System will reduce your benefit by the amount of excess earnings. Earnings limitations vary based upon where you work. To find out the amount you may earn before affecting your benefit, please call the MainePERS Disability Unit.

### **For More Information**

Please call the MainePERS Disability Unit at 1-800-451-9800, (207) 512-3170 or TTY (207) 512-3102. One of our representatives will be glad to answer your questions.





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