



STATE OF WISCONSIN
Department of Employee Trust Funds

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CORRESPONDENCE MEMORANDUM

DATE: December 14, 2006
TO: Teachers Retirement Board
Wisconsin Retirement Board
FROM: Diane Poole, Director
Disability Programs Bureau
SUBJECT: September – November 2006 Quarterly Disability Annuity Statistics

Attached is the Wisconsin Retirement System (WRS) *Disability Benefit Annuity Statistical Report* for September-November 2006. The report provides quarterly data on: Number of Annuities Started, Options Selected, Gender, Determination, Age, and Disability Type.

TRENDS

There is no change in trends for this quarter as compared to the same quarter in the past four years. The number of new disability annuities varies little. The most commonly selected annuity option remains “100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed.” Females continue to be the predominant user of the §40.63 Disability Retirement Annuity benefit. The majority of applications are approved with a very small number being denied. The predominant age group is 50-55. The prevalent disability types for the Teachers Retirement Board for this quarter in the last four years are: Cancer, Neurology, and Mental Illness. For the Wisconsin Retirement Board the prevalent disability types are: Orthopedic and Multiple Medical.

DISABILITY PROGRAMS BUREAU WORKLOAD

Staffing

The Disability Programs Bureau is staffed by 5.25 Trust Funds Specialists and 1.5 Policy Analysts. The Trust Fund Specialists are responsible for the §40.63 and §40.65 programs. Three new Trust Fund Specialists were hired at the beginning of 2006 to fill vacant positions. This means 57% of our Trust Funds Specialists are in training. Two of the three experienced Trust Funds Specialists are part-time. It takes approximately 1-1/2 years for a Trust Fund Specialist to be fully trained in the complex disability programs. In order to meet priorities (see below), one-half of a Policy Analyst position was converted to a Trust Fund Specialist this year to assist with the workload. Unfortunately, this decreases our oversight of the growing Income Continuation Insurance (ICI) and Long-Term Disability Insurance (LTDI) programs. (The number of claims for ICI and LTDI programs have steadily grown in the past four years from 1,740 in 2002 to 2,111 in 2005.)

Board	Mtg Date	Item #
TR	12/14/06	3
WR	12/14/06	2

Backlog

The statutorily required review of tax returns for the §40.65 program continues to be backlogged by three years. This has been the case for approximately 12 years. Unfortunately, this delays the discovery of §40.65 overpayments. The result is that by the time a participant is notified of an overpayment, it could have grown to a large amount and repayment could be a financial burden to the participant. Extra hours have been authorized for part-time staff and limited term employees since 1999 with no significant impact on the backlog. The Disability Programs Bureau has requested additional staff in the next biennial budget to alleviate this ongoing backlog.

PRIORITIES

The main priority for the Disability Programs Bureau is to approve disability benefits as quickly as possible so individuals are not without income. Approving a disability benefit requires extensive follow-up with the applicant, employer, and health care providers. An application can take up to a year to process because of this dependency on outside sources to provide documentation. The second priority is to maintain existing disability accounts. This requires obtaining updated medical and income information, which again requires extensive follow-up with outside sources.

**STATE OF WISCONSIN
DEPARTMENT OF EMPLOYEE TRUST FUNDS**

**WISCONSIN RETIREMENT SYSTEM (WRS)
DISABILITY BENEFIT ANNUITY STATISTICAL REPORT
September- November 2006**

This report provides a summary of disability information for the Board's review. Department staff have reviewed and made the following recommendations on initial disability applications submitted by participants. Staff review individual participant applications on an ongoing basis to determine if disability benefits can continue. If you have questions or would like additional information regarding disability benefits, please contact Diane Poole at (608) 266-5387 or diane.poole@etf.state.wi.us.

The following key describes the type of disability determinations made by ETF staff:

Approved – Disability applications that meet the service, medical and employer criteria required under §40.63 (1) and (4), Wis. Stats., are approved and processed for benefit payments.

Cancelled – Disability applications that are incomplete within one year after the Department receives the disability application are cancelled. Applications are considered incomplete if the Department has not received the required medical certification and/or employer statement.

Deemed Approved – Disability applications are deemed approved if the applicant meets the service requirement and the Department receives a valid disability application and one *Medical Report* certifying the applicant's disability prior to the applicant's death. The employer is also required to submit an Employer Statement.

Denial – Disability applications are denied if the applicant does not meet all of the statutory requirements (service, medical and employer statement).

Denial Rescinded: Approved – Disability applications that were initially denied because the applicant did not meet the statutory requirements. The denial has since been overturned and the application approved due to receipt of additional information or as determined by the appropriate Board.

Termed – Disability applications that were initially approved and benefit payments made may be terminated if the Department receives information from a physician certifying that the individual no longer meets the medical definition for a disability or the individual does not comply with requests for medical or financial information.

Termed Rescinded: Approved – Disability applications that were initially approved, but the annual medical recertification was completed indicating that the individual was no longer disabled or the individual did not comply with medical or financial requests. The termination may be rescinded upon receipt of a certifying medical report, financial information, or based on an appeal determination.

Withdrawn/Void/Invalid – Disability applications are withdrawn at the request of the applicant. This occurs most often when an applicant returns to active employment and no longer meets the statutory requirements for a disability benefit.

§. 40.63 Waiver – Disability application is submitted and there is a Long-Term Disability Insurance (LTDI) election form that waives all rights to benefits under Wisconsin statutes §. 40.63 for a WRS disability retirement benefit.

WRS DISABILITY BENEFITS				
	Sept.	Oct.	Nov.	Total
Disability Estimates Requested	66	75	59	200
Disability Estimates Completed	63	54	87	204
Disability Annuities Started (on payroll)				
Teachers Retirement Board §. 40.63	6	4	8	18
Wisconsin Retirement Board §. 40.63	11	19	18	48
§. 40.65 Duty Disability (WR Board)	2	4	5	11
Total Annuities Started	19	27	31	77

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**WISCONSIN RETIREMENT SYSTEM (WRS)
DISABILITY BENEFIT ANNUITY STATISTICAL REPORT
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TEACHERS BOARD DISABILITY ANNUITIES STARTED BY OPTION SELECTED				
Option	Sept.	Oct.	Nov.	Total
12 100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed	2	1	1	4
17 Life Annuity with 60 Payments Guaranteed	1	0	3	4
24 For Annuitant's Life Only	0	1	2	3
25 Life Annuity with 180 Payments Guaranteed	2	2	0	4
26 75% Continued to Named Survivor (Joint Survivor)	0	0	1	1
27 100% Continued to Named Survivor (Joint Survivor)	1	0	0	1
28 75% Continued to Annuitant or Named Survivor (Joint Survivor) Upon Death of Either	0	0	1	1
TOTAL	6	4	8	18

TEACHERS BOARD DISABILITY ANNUITIES STARTED BY GENDER					
§. 40.63 Disability Benefits by Gender	% Pop.*	Sept.	Oct.	Nov.	% of Total
Females	67%	2	3	5	56%
Males	33%	4	1	3	44%
TOTAL	100%	6	4	8	100%

*Active and inactive Teacher's Retirement Board population as of 12/31/05 for 2006

TEACHERS BOARD DISABILITY STATISTICS FOR APPLICATIONS SUBMITTED

TEACHERS BOARD DISABILITY APPLICATIONS SUBMITTED BY DETERMINATION				
Type of Determination	Sept.	Oct.	Nov.	Total
Approved	10	5	8	23
Cancelled	0	0	0	0
Deemed Approved	0	0	0	0
Denial	0	0	0	0
Denial Rescinded: Approved	0	0	0	0
Termed	0	0	0	0
Termed Rescinded: Approved	0	0	0	0
Void/Withdrawn/Invalid	1	0	0	1
§. 40.63 Waiver	0	0	0	0
TOTAL	11	5	8	24

TEACHERS BOARD DISABILITY APPLICATIONS SUBMITTED BY AGE				
§. 40.63 Disability Benefits by Age	Sept.	Oct.	Nov.	Total
31-35	0	0	0	0
36-40	0	0	0	0
41-45	0	0	0	0
46-50	3	0	1	4
51-55	5	2	3	10
56-60	2	2	3	7
61-65	1	1	1	3
TOTAL	11	5	8	24

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DISABILITY BENEFIT ANNUITY STATISTICAL REPORT
September- November 2006**

TEACHERS BOARD DISABILITY APPLICATIONS SUBMITTED BY DISABILITY TYPE				
Disability Type	Sept.	Oct.	Nov.	Total
Brain Injury	0	0	0	0
Cancer	3	2	1	6
Cardiovascular	0	0	1	1
Chronic Fatigue	0	0	0	0
Diabetes	0	0	0	0
Eye Disorders	0	0	0	0
Gastro/Intestinal	0	0	0	0
Mental Illness	0	1	2	3
Multiple Medical Problems	4	0	1	5
Multiple Sclerosis	0	0	0	0
Muscle/Tissue	0	0	0	0
Nephrology	0	0	0	0
Neurology	1	2	3	6
Orthopedic	0	0	0	0
Other	3	0	0	3
Reflex Sympathetic Dystrophy (RSD)	0	0	0	0
Respiratory	0	0	0	0
Unknown	0	0	0	0
TOTAL	11	5	8	24

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WI RETIREMENT BOARD DISABILITY ANNUITIES STARTED BY OPTION SELECTED				
Option	Sept.	Oct.	Nov.	Total
12 100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed	3	4	6	13
17 Life Annuity with 60 Payments Guaranteed	2	1	2	5
24 For Annuitant's Life Only	3	3	1	7
25 Life Annuity with 180 Payments Guaranteed	1	5	5	11
26 75% Continued to Named Survivor (Joint Survivor)	1	4	1	6
27 100% Continued to Named Survivor (Joint Survivor)	1	2	2	5
28 75% Continued to Annuitant or Named Survivor (Joint Survivor) Upon Death of Either	0	0	1	1
TOTAL	11	19	18	48

WI RETIREMENT BOARD DISABILITY ANNUITIES STARTED BY GENDER					
§. 40.63 Disability Benefits by Gender	% Pop.*	Sept.	Oct.	Nov.	% of Total
Females	62%	9	8	8	52%
Males	38%	2	11	10	48%
TOTAL	100%	11	19	18	100%

* Active and inactive WR population as of 12/31/2005 for 2006

WI RETIREMENT BOARD DISABILITY STATISTICS FOR APPLICATIONS SUBMITTED

WI RETIREMENT BOARD DISABILITY APPLICATIONS SUBMITTED BY DETERMINATION				
Type of Determination	Sept.	Oct.	Nov.	Total
Approved	10	10	11	31
Cancelled	0	2	1	3
Deemed Approved	0	0	1	1
Denial	1	2	0	3
Denial Rescinded: Approved	0	0	0	0
Other	0	0	0	0
Termed	0	0	0	0
Term. Rescinded: Approved	0	0	0	0
Void/Withdrawn/Invalid	1	1	2	4
§. 40.63 Waiver	0	0	0	0
TOTAL	12	15	15	42

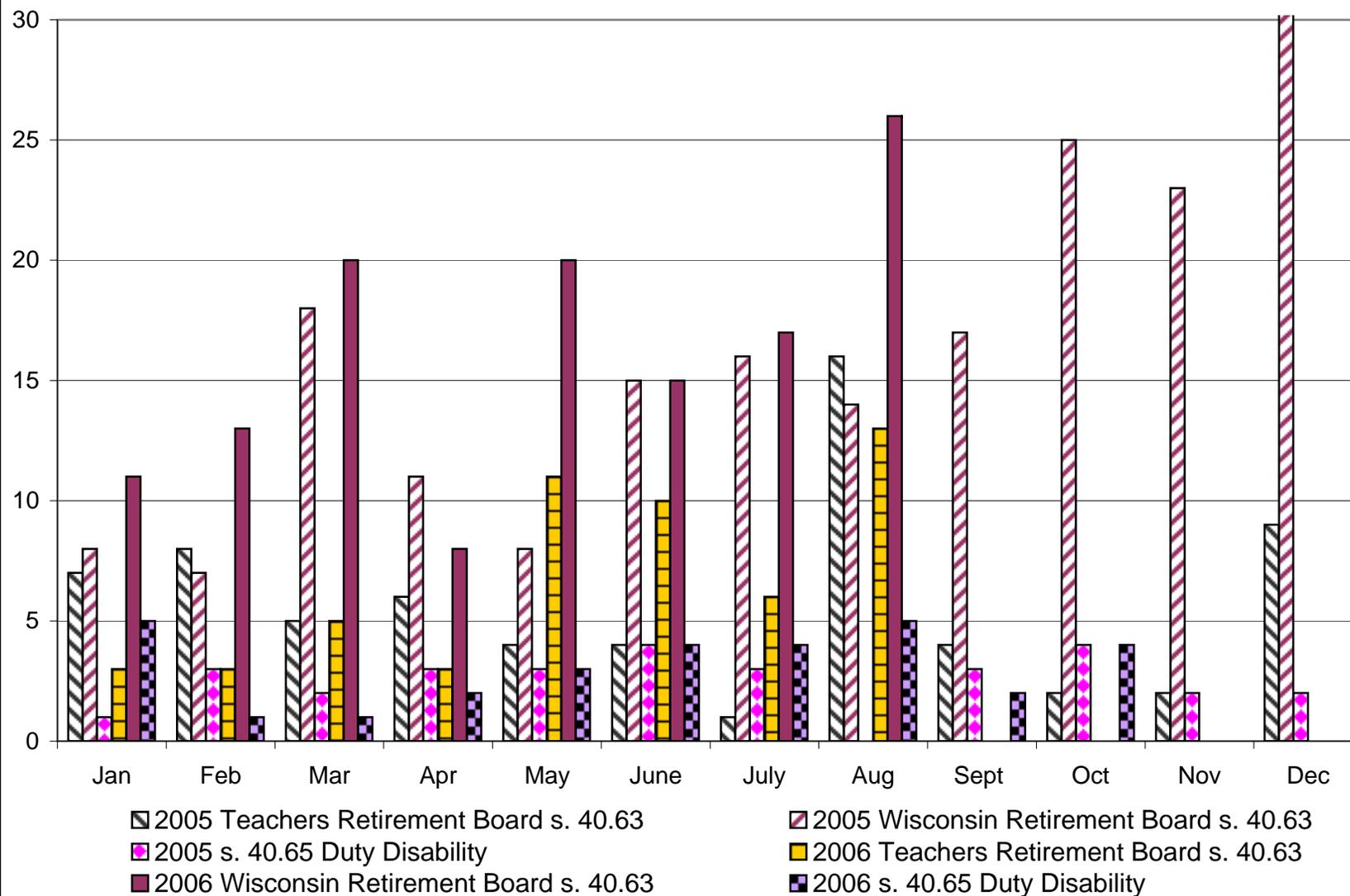
WI RETIREMENT BOARD DISABILITY APPLICATIONS SUBMITTED BY AGE				
§. 40.63 Disability Benefits by Age	Sept.	Oct.	Nov.	Total
20-25	1	0	0	1
26-30	0	0	0	0
31-35	0	0	0	0
36-40	0	0	0	0
41-45	2	1	0	3
46-50	3	2	2	7
51-55	5	9	8	22
56-60	1	2	4	7
61-65	0	1	1	2
TOTAL	12	15	15	42

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WI RETIREMENT BOARD DISABILITY DETERMINATIONS				
Disability Type	Sept.	Oct.	Nov.	Total
Brain Injury	0	0	0	0
Cancer	2	1	1	4
Cardiovascular	0	0	0	0
Chemical Dependency	0	0	0	0
Diabetes	0	0	0	0
Eye Disorders	1	0	1	2
Gastro/Intestinal	0	0	0	0
Hearing Disorders	0	0	0	0
Mental Illness	1	3	0	4
Multiple Medical Problems	3	4	4	11
Multiple Sclerosis	0	0	0	0
Muscle/Tissue	0	3	1	4
Nephrology	0	0	1	1
Neurology	1	2	2	5
Orthopedic	1	1	3	5
Other	2	0	2	4
Reflex Sympathetic Dystrophy (RSD)	0	0	0	0
Respiratory	1	1	0	2
Unknown	0	0	0	0
TOTAL	12	15	15	42

2005 v. 2006 Disability Annuities Started



2005 v. 2006 Disability Estimates Requested and Completed

