

**AGENDA AND NOTICE OF MEETING
STATE OF WISCONSIN
WISCONSIN RETIREMENT BOARD**

Thursday, December 11, 2008

1:05 p.m.

(or upon adjournment of the Teachers Retirement Board)

Holiday Inn Hotel and Suites

Conference Room ABC

1109 Fourier Drive

Madison, Wisconsin

Documents for this meeting are available on-line at:

http://etf.wi.gov/boards/board_wr.htm

To request a printed copy of any of the agenda items, please contact

Cindy Gilles at (608) 261-0736.



Denotes action item

- 1:05 p.m.**  **1. Consideration of Minutes of Previous Meeting**
- 2. Announcements**
- 3. Operational Updates**
- **Disability Report**
 - **Miscellaneous**
 - **Future Items for Discussion**
- 1:20 p.m.** **4. Adjournment**

Times shown are estimates only.

The meeting location is handicap accessible. If you need other special accommodations due to a disability, please contact Cindy Gilles, Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931. Telephone: (608) 261-0736. Wisconsin Relay Service 7-1-1. E-mail: cindy.gilles@etf.state.wi.us



STATE OF WISCONSIN
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CORRESPONDENCE MEMORANDUM

DATE: November 14, 2008
TO: Teachers Retirement Board
Wisconsin Retirement Board
FROM: Diane Poole, Director
Disability Programs Bureau
SUBJECT: July 2008 – September 2008 Quarterly Disability Annuity Statistics

This memo is for informational purposes only. No Board action is required.

Attached is the Wisconsin Retirement System (WRS) *Disability Benefit Annuity Statistical Report* for July through September 2008. The report provides quarterly data on: the number of annuities started, options selected, gender, determination, age, and disability type.

TRENDS

Overall, there was little change in trends this quarter when compared to the same quarter in the past five years:

- The number of new disability annuities is down. The Teachers Retirement Board (TR) had 20 under its jurisdiction, compared to an average of 22; the Wisconsin Retirement Board (WR) had 33 under its jurisdiction, compared to an average of 47.
- The most selected annuity option for TR Board related disability annuities is “100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed.” That is also the most selected option for WR Board related disability annuities.
- Females continue to be the predominant user of the \$40.63 Disability Retirement Annuity benefit for both the TR Board and WR Board.
- The majority of applications are approved; a very small number are denied.
- The predominant age group for both the TR Board and the WR Board is 51-55.
- The prevalent disability types for the TR Board for this quarter in the last five years are: Cancer, Multiple Medical Problems and Mental Illness. For the WR Board, the prevalent disability types are: Orthopedic, Cancer, and Multiple Medical Problems.

DISABILITY PROGRAMS BUREAU WORKLOAD

Staffing

The Disability Programs Bureau is staffed by 5.5 trust funds specialists and 2.5 policy analysts. One policy analyst was a new hire in March 2007. One trust funds specialist began last year in September and one began in July 2008. We also received a new trust funds specialist leadworker position and filled that position in January 2008.

Reviewed and approved by Tom Korpady, Division of Insurance Services.
Signature _____ Date _____

Board	Mtg Date	Item #
TR	12/11/08	3
WR	12/11/08	4

The trust fund specialists are responsible for the §40.63 and §40.65 programs. One of the experienced trust funds specialists is part-time. Currently, 55% of our trust funds specialists and 40% of our policy analysts are in training. It takes approximately 1.5 to 2 years to fully train a trust funds specialist in our complex disability programs and approximately 2.5 years for a policy analyst to complete training.

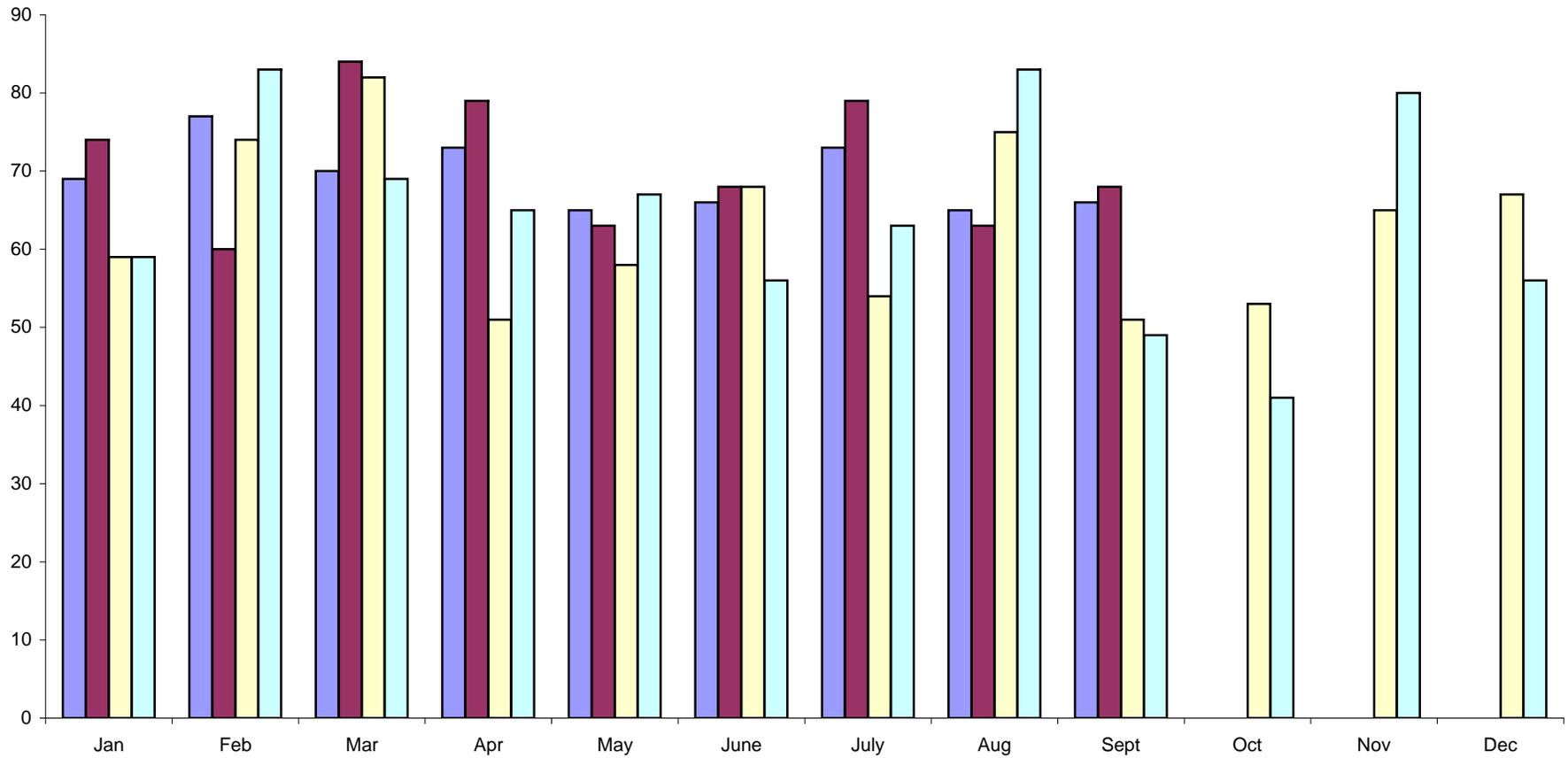
Backlog

The statutorily-required review of tax returns for the §40.65 program had a backlog of about three years. By adding the leadworker position and shifting some staff responsibilities, more experienced staff were able to dedicate several hours per week to review tax returns. We have now completed the review of all tax returns received prior to the 2007 tax year and eliminated the backlog.

PRIORITIES

The top 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 inherent 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.

2008 v. 2007 Disability Estimates Requested and Completed



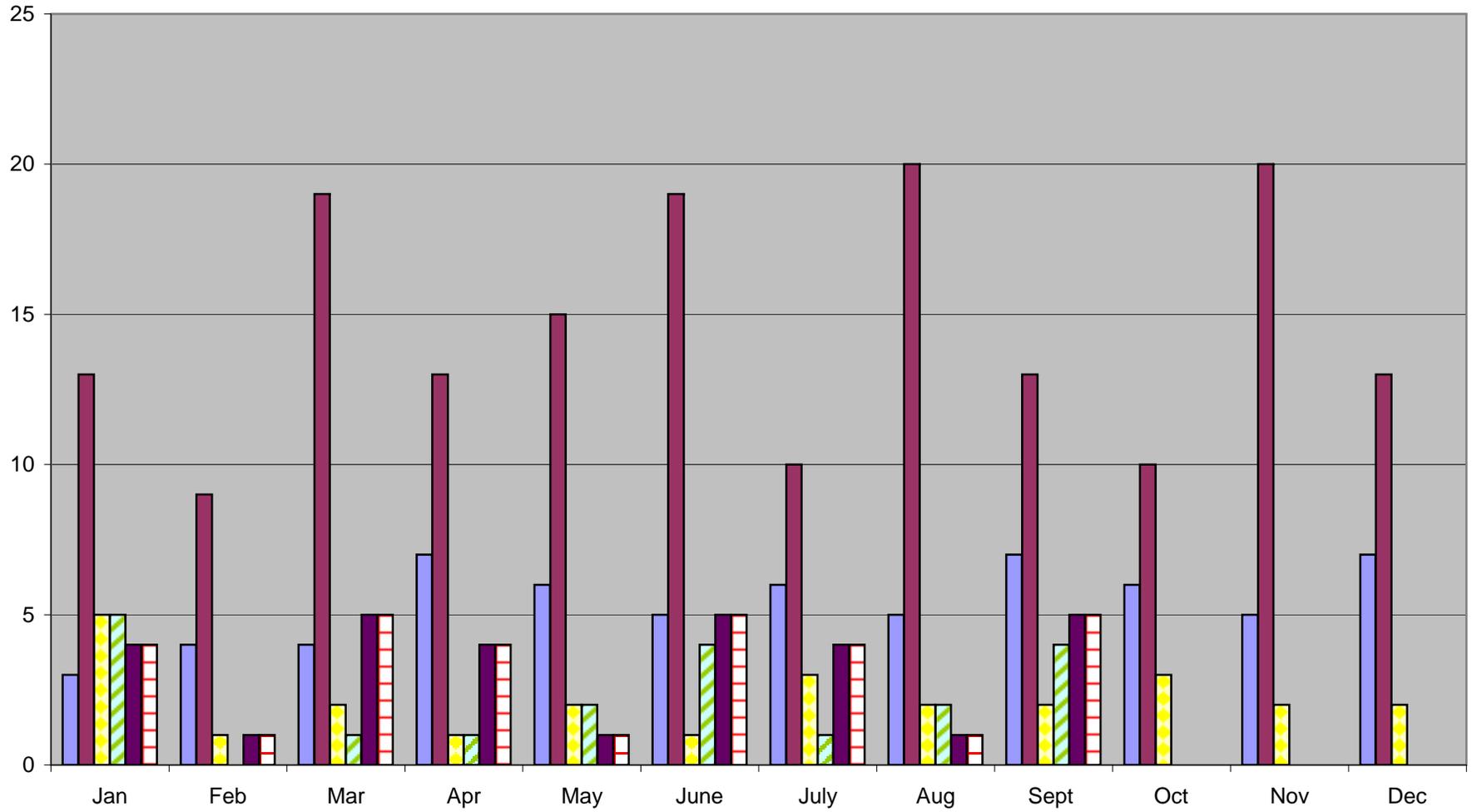
2008 Disability Est. Requested

2008 Disability Est. Completed

2007 Disability Est. Requested

2007 Disability Est. Completed

Disability Annuities Started 2007 v. 2008



■ 2007 Teachers Retirement Board s. 40.63	■ 2007 Wisconsin Retirement Board s. 40.63	■ 2007 s. 40.65 Duty Disability
■ 2008 Teachers Retirement Board s. 40.63	■ 2008 Wisconsin Retirement Board s. 40.63	■ 2008 s. 40.65 Duty Disability

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

**WISCONSIN RETIREMENT SYSTEM (WRS)
DISABILITY BENEFIT ANNUITY STATISTICAL REPORT
JULY - SEPTEMBER 2008**

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				
	Jul	Aug	Sept	Total
Disability Estimates Requested	73	50	56	179
Disability Estimates Completed	73	34	72	179
Disability Annuities Started (on payroll)				
Teachers Retirement Board §. 40.63	6	7	7	20
Wisconsin Retirement Board §. 40.63	14	11	8	33
§. 40.65 Duty Disability (WR Board)	3	6	5	14
Total Annuities Started	23	24	20	67

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**WISCONSIN RETIREMENT SYSTEM (WRS)
DISABILITY BENEFIT ANNUITY STATISTICAL REPORT
JULY - SEPTEMBER 2008**

TEACHERS BOARD DISABILITY ANNUITIES STARTED BY OPTION SELECTED				
Option	Jul	Aug	Sept	Total
100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed	1	2	2	5
Life Annuity with 60 Payments Guaranteed For Annuitant's Life Only	1	0	0	1
Life Annuity with 180 Payments Guaranteed	2	2	2	6
75% Continued to Named Survivor (Joint Survivor)	0	1	1	2
100% Continued to Named Survivor (Joint Survivor)	1	1	1	3
75% Continued to Annuitant or Named Survivor (Joint Survivor) Upon Death of Either	0	1	0	1
TOTAL	6	7	7	20

TEACHERS BOARD DISABILITY ANNUITIES STARTED BY GENDER					
§. 40.63 Disability Benefits by Gender	% Pop.*	Jul	Aug	Sept	% of Total
Females	67%	6	5	4	75%
Males	33%	0	2	3	25%
TOTAL	100%	6	7	7	100%

*Active and inactive Teacher's Retirement Board population as of 12/31/07 for 2008

TEACHERS BOARD DISABILITY STATISTICS FOR APPLICATIONS SUBMITTED

TEACHERS BOARD DISABILITY APPLICATIONS SUBMITTED BY DETERMINATION				
Type of Determination	Jul	Aug	Sept	Total
Approved	8	5	6	19
Cancelled	2	1	0	3
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	0	0	0	0
§. 40.63 Waiver	0	0	0	0
TOTAL	10	6	6	22

TEACHERS BOARD DISABILITY APPLICATIONS SUBMITTED BY AGE				
§. 40.63 Disability Benefits by Age	Jul	Aug	Sept	Total
20-25	0	0	0	0
26-30	0	0	0	0
31-35	0	0	0	0
36-40	0	0	0	0
41-45	0	0	0	0
46-50	0	0	0	0
51-55	2	1	1	4
56-60	5	3	3	11
61-65	3	2	2	7
TOTAL	10	6	6	22

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**WISCONSIN RETIREMENT SYSTEM (WRS)
DISABILITY BENEFIT ANNUITY STATISTICAL REPORT
JULY - SEPTEMBER 2008**

TEACHERS BOARD DISABILITY APPLICATIONS SUBMITTED BY DISABILITY TYPE				
Disability Type	Jul	Aug	Sept	Total
Brain Injury	0	0	0	0
Cancer	5	2	3	10
Cardiovascular	0	0	1	1
Chronic Fatigue	0	0	0	0
Diabetes	0	0	0	0
Eye Disorders	1	0	0	1
Gastro/Intestinal	0	0	0	0
Mental Illness	0	1	0	1
Multiple Medical Problems	0	0	2	2
Multiple Sclerosis	0	0	0	0
Muscle/Tissue	0	0	0	0
Nephrology	0	0	0	0
Neurology	3	1	0	4
Orthopedic	0	2	0	2
Other	0	0	0	0
Reflex Sympathetic Dystrophy (RSD)	0	0	0	0
Respiratory	0	0	0	0
Unknown	1	0	0	1
TOTAL	10	6	6	22

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**WISCONSIN RETIREMENT SYSTEM (WRS)
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JULY - SEPTEMBER 2008**

WI RETIREMENT BOARD DISABILITY ANNUITIES STARTED BY OPTION SELECTED				
Option	Jul	Aug	Sept	Total
100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed	4	3	3	10
Life Annuity with 60 Payments Guaranteed For Annuitant's Life Only	1	0	0	1
Life Annuity with 180 Payments Guaranteed	4	0	2	6
75% Continued to Named Survivor (Joint Survivor)	3	5	2	10
100% Continued to Named Survivor (Joint Survivor)	0	0	0	0
75% Continued to Annuitant or Named Survivor (Joint Survivor) Upon Death of Either	2	3	1	6
	0	0	0	0
TOTAL	14	11	8	33

WI RETIREMENT BOARD DISABILITY ANNUITIES STARTED BY GENDER					
§. 40.63 Disability Benefits by Gender	% Pop.*	Jul	Aug	Sept	% of Total
Females	62%	9	9	2	61%
Males	38%	5	2	6	39%
TOTAL	100%	14	11	8	100%

* Active and inactive WR population as of 12/31/2007 for 2008

WI RETIREMENT BOARD DISABILITY STATISTICS FOR APPLICATIONS SUBMITTED

WI RETIREMENT BOARD DISABILITY APPLICATIONS SUBMITTED BY DETERMINATION				
Type of Determination	Jul	Aug	Sept	Total
Approved	14	6	10	30
Cancelled	0	3	1	4
Deemed Approved	0	0	0	0
Denial	0	0	1	1
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	0	0	0	0
§. 40.63 Waiver	0	0	0	0
TOTAL	14	9	12	35

WI RETIREMENT BOARD DISABILITY APPLICATIONS SUBMITTED BY AGE				
§. 40.63 Disability Benefits by Age	Jul	Aug	Sept	Total
20-25	0	0	0	0
26-30	0	0	0	0
31-35	0	0	0	0
36-40	0	0	0	0
41-45	1	1	2	4
46-50	0	1	4	5
51-55	6	4	3	13
56-60	6	3	3	12
61-65	1	0	0	1
TOTAL	14	9	12	35

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JULY - SEPTEMBER 2008**

WI RETIREMENT BOARD DISABILITY DETERMINATIONS				
Disability Type	Jul	Aug	Sept	Total
Brain Injury	0	0	0	0
Cancer	5	1	1	7
Cardiovascular	0	1	1	2
Chemical Dependency	0	0	0	0
Diabetes	0	0	0	0
Eye Disorders	0	0	0	0
Gastro/Intestinal	0	1	0	1
Hearing Disorders	0	0	0	0
Mental Illness	2	0	0	2
Multiple Medical Problems	1	2	3	6
Multiple Sclerosis	0	0	0	0
Muscle/Tissue	1	0	1	2
Nephrology	0	0	0	0
Neurology	1	2	4	7
Orthopedic	3	2	2	7
Other	1	0	0	1
Reflex Sympathetic Dystrophy (RSD)	0	0	0	0
Respiratory	0	0	0	0
Unknown	0	0	0	0
TOTAL	14	9	12	35