

LONG-TERM DISABILITY INSURANCE



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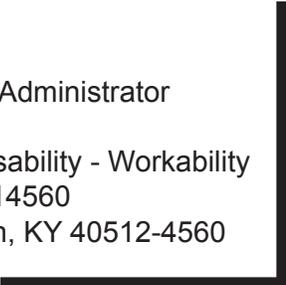


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GENERAL INFORMATION

This booklet is for participants who have questions about the benefits that are available from the Long-Term Disability Insurance (LTDI) program. LTDI benefits may be payable if a Wisconsin Retirement System (WRS) participant becomes disabled and is unable to work due to a physical or mental disability. The LTDI program became effective October 16, 1992, and is only available to: 1) employees who begin or resume covered WRS employment on or after that date, and 2) employees who have been continuously employed under the WRS since before October 16, 1992, and are eligible for coverage under the WRS disability program, but elect coverage under the LTDI program.

This booklet explains how LTDI benefits are calculated and the eligibility requirements. If you become disabled and must cease working because of your disability, contact the Department of Employee Trust Funds (ETF) for benefit estimates.

The LTDI benefit is administered by a third party administrator (TPA).

NOTE: This booklet provides a brief and general description of Long-Term Disability Insurance benefits. The booklet is not intended to be a complete explanation of LTDI benefits in all situations and circumstances and cannot be relied upon for that purpose. The details of the LTDI program are established by administrative rule, not this publication. No error, misrepresentation, or ambiguity in this booklet creates any rights or benefits not expressly granted by the administrative rule. Consult Wis. Admin. Code Ch. ETF 50, Subchapter III, for the actual terms of the LTDI plan.

DISABILITY BENEFITS AND YOUR DATES OF EMPLOYMENT

You may be eligible to apply for WRS disability benefits OR elect coverage under the LTDI program, based on your dates of covered WRS employment:

- If you began or resumed covered WRS employment on or after October 16, 1992 you are automatically covered under the LTDI program and are not eligible for WRS disability benefits.
- If you were first covered under the WRS before October 16, 1992 but have not been continuously employed under the WRS since that date (you have had a break in service other than your final leave of absence due to your disability), you are only eligible to apply for LTDI benefits and are not eligible for WRS disability benefits.
- If you have been continuously employed under the WRS since before October 16, 1992 and you terminate WRS employment due to your disability after that date, you may be eligible to choose to apply for WRS disability benefits OR to elect LTDI coverage and apply for LTDI benefits.

A booklet entitled *Disability Benefits* (ET-5102) that provides detailed information about WRS disability benefits is available from ETF.

DEFINITIONS

“Disability” means the inability “to engage in any substantial gainful activity by reason of a medically determinable impairment, whether physical or mental, which can reasonably be expected to result in death or to be of long-continued and indefinite duration.”

“Final average salary” or **“FAS”** means the total amount of earnings received by the participant during the three highest annual earnings periods, divided by 36 months. The FAS calculation is different for participants who do not meet the LTDI service requirement but have a work-related disability.

If you were employed with an employer prior to that employer beginning WRS participation, the FAS calculation excludes any annual earnings period more than three years prior to the effective date the employer's participation began.

“Medically determinable impairment” means an impairment which has medically demonstrable anatomical, physiological or psychological abnormalities. The described abnormalities are medically determinable if they manifest themselves as signs or laboratory findings apart from symptoms which are not medically determinable.

“Substantial gainful activity” means any work of a nature generally performed for remuneration or profit, involving the performance of significant physical or mental duties, or both. Work is considered substantial even if performed part-time and even if it is less demanding or less responsible than your former work. Work is considered gainful even if it pays less than your former employment.

The term “substantial gainful activity” means employment in a position for which the compensation will exceed \$12,612 in calendar year 2009. The earnings limit changes annually.

ELIGIBILITY REQUIREMENTS FOR BENEFITS

To be eligible for an LTDI benefit, you must be disabled by a mental or physical impairment which is likely to be of an indefinite duration and prevents your capability of being engaged in substantial gainful activity. You must also meet all of the requirements listed below:

1. You must be a participating WRS employee. An applicant is a participating employee only if :
 - a. Since service for the WRS employer terminated, your WRS retirement account was not closed by a lump sum retirement or separation benefit prior to applying for LTDI. When a lump sum benefit is paid, it closes the retirement account and the individual is no longer a WRS participant and no longer eligible to apply for LTDI benefits.
 - b. No other employment which is substantial gainful activity has intervened (occurred) since service for the WRS employer terminated, **and** if the termination of active service for the WRS employer was due to disability. Substantial gainful activity" intervened if, during any 12 consecutive calendar months beginning with the first of the month following the date your service for the covered WRS employer terminated and you received earnings, wages, salary and other earned income including self-employment or contracts. The annual dollar amount is the earnings limit in effect at the end of the 12 consecutive calendar month period.
2. You must have earned at least .33 years of creditable service in at least five of the last seven preceding calendar years from the date which you file an LTDI claim. If you do not meet the service requirement and a physician certifies that your disability is work-related, the LTDI claim must be filed within two years after your last day worked with a participating WRS employer.
3. You must not be entitled to any further earnings from your employer. Any payment to which you may be entitled after your last day of work (such as vacation, compensatory time, sick leave, temporary workers compensation, etc.), is used in determining the last day for which you were paid. Your employer will be required to certify your last day paid.

Note: Participating employees whose compensation plan or contract provides for converting unused sick leave to pay group health insurance premiums, and who qualify for a LTDI benefit, can either use sick leave or convert it to credits to pay health insurance premiums. If the sick leave is converted, the LTDI benefit will begin sooner. You should contact your employer to discuss how much sick leave you wish to convert to credits.

If you are converting your unused sick leave to pay group health insurance premiums, you will be required to sever your employee/employer relationship in order for your LTDI benefit to be approved. **Note:** You should carefully compare the benefits of terminating WRS employment so you can use accumulated sick leave to pay for health insurance premiums versus the higher death benefits payable if you die as an active (not terminated) employee.

4. Your employer will be informed that you are applying for a disability benefit and will be asked whether they have reason to contest the approval of your disability claim. Therefore, it is very important that you communicate with your employer with regard to your reason for leaving employment.

5. Two licensed and practicing medical physicians must certify that you meet the disability definition, and that the disability caused you to cease working and prevents you from being gainfully employed. At least one certifying physician must be a specialist in the area of your disability.
6. The maximum length of time you may remain on a leave of absence under the WRS is 36 months, after which time the Wisconsin Statutes require that ETF terminate your leave of absence.

If you meet the special eligibility requirements for certain protective participants, the medical evidence must establish a disability to the extent that you can no longer efficiently and safely perform your duties as a firefighter or law enforcement officer, and that condition is likely to be permanent.

SPECIAL ELIGIBILITY - PROTECTIVE OCCUPATION EMPLOYEES

If you are disabled to the extent that you can no longer efficiently and safely perform the duties of your position as a protective occupation employee (firefighters and law enforcement and other occupations as defined under § Wis. Stat. 40.02 (48)), and the condition is likely to be permanent, you may qualify for LTDI benefits even though you might still be able to engage in some other type of work. You must still meet the service requirements indicated in number 2 on the previous page, and must also meet the following requirements:

- You must be a protective occupation participant under WRS.
- You must have at least 15 years of creditable service.
- You must become disabled after reaching age 50, but before reaching age 55. For this benefit the date of disability is the day after your last day worked in full protective status.

Special LTDI benefits are calculated the same as regular LTDI benefits. The basic LTDI benefit for protective employees who have any coverage under Social Security based on their own employment will be 40% of their FAS. Participants who are **not** eligible for Social Security benefits based on their own employment will have a basic benefit of 50% of their FAS. If you indicate on your LTDI claim that you are not eligible for a Social Security benefit, the third party administrator will contact the Social Security Administration for verification.

Protective occupation employees may also be eligible for duty disability benefits under Wis. Stat. § 40.65. For further information about these benefits contact ETF.

CALCULATION OF BENEFIT

HOW THE BASIC BENEFIT IS CALCULATED

Your LTDI benefit effective date is normally the day after your last day for which earnings were paid; however, it can be no earlier than 90 days before your claim is filed. Benefits that are not effective on the day after your last day paid must always be effective on the first of a month. **If you apply more than 90 days after your last day paid, you will not have the earliest possible benefit effective date and you will have lost a partial month or more of benefits.**

Your basic monthly LTDI benefit is 40% of your FAS. If you are not eligible for Social Security benefits based on your own employment, your basic LTDI benefit will be 50% of your FAS. If you indicate on your LTDI claim form that you are not eligible for Social Security benefits, the third party administrator will contact the Social Security Administration for verification.

The basic monthly LTDI benefit amount is adjusted every year by the same Core Fund* dividend percentage as monthly retirement annuities. The adjustment will appear on the payment issued for the month of April and the check dated May 1.

LTDI benefit recipients may also apply for WRS retirement benefits. (See Retirement Benefit Offsets beginning on page 8.) Your LTDI benefit will be offset (reduced) by an amount equal to the taxable portion of any monthly WRS retirement annuity paid to you from your required account. When you submit your retirement annuity application, you should select the annuity effective date to be the first of the month following the month in which you reach age 65. In most cases, your retirement annuity will then begin the first of the month after your LTDI benefit ceases unless you are eligible to receive LTDI benefits beyond your 65th birthday. However, if you choose not to apply for your WRS retirement benefit at age 62 or your normal retirement age, whichever is later, the taxable portion of the amount for which you are eligible will still be offset from your monthly LTDI benefit. If you are eligible and apply for a lump sum benefit, your LTDI benefit will be suspended until an amount equal to the taxable portion of your lump sum payment is recovered.

Generally, LTDI benefits are payable only through the end of the month in which you reach age 65. However, if you are age 61 or older when your LTDI benefit begins your LTDI benefits may be payable longer, depending on your age at the time your LTDI benefits begin.

The following chart shows the duration of benefits:

Your Age at LTDI Effective Date	<u>LTDI Benefit Ends</u>
Before age 61	End of month in which you reach age 65
Age 61 or 62	End of month in which you reach age 66
Age 63 or 64	End of month in which you reach age 67
Age 65 or 66	End of month in which you reach age 68
Age 67	End of month in which you reach age 69
Age 68	End of month in which you reach age 70
Age 69 <u>or older</u>	12 months after LTDI benefit effective date

SAMPLE BENEFIT CALCULATION

A full-time employee became disabled on December 20, 2006, and the last day for which earnings were paid is December 31, 2006. The basic monthly LTDI benefit would be as follows:

<u>Year</u>	<u>Earnings</u>			
2004	\$25,500			
2005	\$26,500			
2006	<u>\$27,200</u>			
TOTAL	\$79,200	÷	36	= \$2,200 FAS

\$2,200 (FAS) x 40% = \$880 per month basic LTDI benefit

OR, for protective occupation and select teacher's group participants who are not eligible for Social Security benefits which are based on their own employment:

\$2,200 x 50% = \$1,100 per month basic LTDI benefit

<p>* Legislation enacted in 2006 changed the name of the Fixed Retirement Investment Trust, or Fixed Fund, to the Core Retirement Investment Trust, or Core Fund. In the future, the Fixed Fund will be referred to as the Core Fund.</p>

SUPPLEMENTAL CONTRIBUTIONS

In addition to your basic LTDI benefits, a supplemental contribution is paid into your WRS retirement account for each month that you are eligible for LTDI benefits. These supplemental contributions will increase your WRS retirement benefits. The amount of the supplemental contributions is 7% of your FAS for each month that you meet the requirements listed below. The FAS and the supplemental contributions are adjusted each year, by the Core Fund dividend percentage, as the monthly retirement annuities.

To qualify for supplemental LTDI contributions for a month you must meet the following conditions:

1. Your LTDI benefits have not been terminated or suspended.
2. You do not earn any creditable service under the WRS during that month.
3. Payment of the LTDI retirement supplemental benefit does not result in the total contributions to your WRS account to exceed any limitation on additional contributions or cause the WRS to fail to meet any of the requirements for a qualified plan under the Internal Revenue Code.
4. You have not received either a separation benefit or retirement benefit from your required WRS account.
5. You are not qualified to receive duty disability benefits under Wis. Stat. § 40.65.

SAMPLE SUPPLEMENTAL CONTRIBUTION CALCULATION

If you meet all of the requirements to qualify for the supplemental LTDI contribution each month, the following supplemental contributions would be credited to your WRS account as employer additional contributions:

$$\begin{aligned} \$2,200 \times 7\% &= \$154 \text{ per month} \\ \$154 \times 12 \text{ months} &= \$1,848 \text{ per year} \end{aligned}$$

Each year the monthly supplemental contribution credited to your WRS account would be adjusted based on the Core Fund annuitant adjustment for that year. These contributions would increase your WRS retirement benefit when you apply for it.

EMPLOYMENT WITH A WRS EMPLOYER WHILE RECEIVING BENEFITS

If after you begin receiving LTDI benefits, you return to work for a WRS employer and are eligible to be covered under WRS again, you will be covered as an active, participating employee under the WRS. Your employer will report your earnings and service to ETF. The earnings and service will be credited to your account based on your active employment. You will not be eligible for the LTDI retirement supplemental contributions for any month in which you earn creditable WRS service.

You must inform your employer if you are receiving a monthly benefit from the LTDI program. Please see "Exceeding the Disability Earnings Limit" section on page 7 for instructions.

ANNUAL DISABILITY PROCESSES

To be eligible for continued LTDI benefits, you will be required to annually submit financial information and may be required to annually provide medical information from your physician.

EARNINGS STATEMENT

Each year in March you will be required to complete a *Statement of Annual Earnings for Disability Annuitants*. You must complete and return the statement whether or not you received earnings. The completed statement must be returned to ETF by April 30 of that year. After that date, future benefit payments could be suspended until a completed statement is received and your eligibility to continue receiving benefit payments can be determined. Failure to complete and return the form by the required due date or providing incorrect information could cause your benefit to be terminated.

If you have returned to work or are self-employed, you will be required to report the amount of earnings, employer(s) name, and occupation for each calendar month you received earnings. Earnings means wages and/or salary received for providing a personal service, including service performed on a contractual basis or self-employment. The earnings reported should be the **gross** earnings before deductions (i.e., state and federal taxes, Social Security, etc.). Income received from Social Security or WRS benefits, interest, dividends, inheritance, sale of home, or winnings from the lottery, etc., are not considered earnings.

MEDICAL RECERTIFICATION

If you are approved for the LTDI benefit, you may be required to provide annual medical evidence that you continue to be disabled. When providing the medical evidence, your last treatment date must be within 12 months of the date the physician signs the *Recertification Medical Report*. Annual Medical Recertifications may continue for as long as you are eligible to receive monthly LTDI payments. It is extremely important that you complete the recertification process in order to remain eligible to receive the monthly benefit.

The TPA will send you a notice indicating you are required to have the medical report completed by your attending physician. The completed medical report must be returned to ETF within the due date indicated in the letter.

If your completed medical report is not returned by the due date, you will be notified that the *Recertification Medical Report* is past due. It is imperative that ETF receives the completed *Recertification Medical Report* form as this will determine whether LTDI benefits can continue to be paid to you. Failure to provide this information by the required due date will cause your LTDI benefits to be terminated.

TERMINATION OR SUSPENSION OF BENEFITS

NO LONGER MEET DISABILITY DEFINITION

You may be required to supply medical evidence that you continue to be disabled. If your physician indicates that you are able to perform the duties of any gainful occupation for which the annual compensation would exceed the earnings limitation, your LTDI benefit will be terminated.

EXCEEDING THE DISABILITY EARNINGS LIMIT

Each year you will be required to certify your earnings from all employment. If in a calendar year you earn more than the statutory "earnings limit" amount, you are required to notify the third party administrator immediately. Your LTDI benefit will be affected. The earnings limit for 2011 is \$12,708. This amount changes annually.

The first time you reach your earnings limit, your LTDI benefit will be suspended effective the first of the month in which a determination (by ETF or the TPA) that you exceeded the annual earnings limit. If your benefit is suspended, we will advise you when your benefit will resume. The second time you reach your earnings limit, your LTDI benefit will be terminated.

Special Provisions for Protective Occupation Employees:

The LTDI benefits of a protective occupation employee who was approved for LTDI benefits because that employee could no longer perform the duties of the protective position will be terminated immediately upon re-employment in a law enforcement or firefighting position.

If you are employed in a position other than law enforcement or firefighting, your LTDI benefits will be suspended but not terminated if you earn more than the earnings limit.

REFUSAL OR FAILURE TO SUBMIT INFORMATION

Your LTDI benefits will be terminated if you refuse or fail to provide the required information by the required due date. (Examples: refusal to submit a medical report or refusal to submit information regarding earnings, wages, salary or other earned income as requested by the third party administrator)

DEATH

LTDI benefits are payable only through the date of your death; there are no LTDI death benefits. However, there may be a death benefit payable from your WRS account. The death benefit payable from your WRS account will depend on your employment status at the time of death. The death benefit for an inactive status is based on the employee contribution balances. Active employment status, the minimum death benefit is two times the employee required contribution balances. If you selected a monthly WRS benefit, whether there is a death benefit will depend on the annuity option you selected. The LTDI supplemental contributions would be included in the calculation of any WRS death benefit. If you closed your WRS account by taking a lump sum benefit, there will be no WRS death benefit.

If there were LTDI benefits due to you which were not issued before your death, they will be paid to your estate.

RETIREMENT BENEFITS OFFSET

When you elect to receive retirement benefits from the WRS, the amount of your monthly LTDI benefits will be reduced. If you receive a monthly payment, your LTDI benefit will be reduced by the taxable portion of the annuity option you select. If you receive a lump sum benefit, the LTDI benefit will be suspended until the taxable portion of the lump sum is recovered. Payment of the LTDI supplemental contributions into your WRS account will cease.

You are not required to apply for your WRS retirement benefits. However, if you are not already receiving WRS retirement benefits when you reach the later of age 62 or the normal retirement age for your employment category, your monthly LTDI benefits will be reduced by the taxable amount of the normal form retirement annuity you are eligible to receive. If the taxable retirement benefit for which you are eligible exceeds your LTDI benefit amount, you will not receive any monthly LTDI payment.

When applying for a retirement benefit at either age 62 or age 65, depending on the normal retirement age for your employment category, it is most beneficial for you to choose the retirement annuity effective date which is the first of the month after your 62nd or 65th birthday, whichever is applicable. This would maximize the supplemental contributions paid into your retirement account.

HOW TO APPLY FOR BENEFITS

If you are disabled and wish to apply for LTDI benefits, you may file your claim over the telephone with the TPA. You must still contact ETF for an LTDI benefit estimate or an LTDI claim form if you wish to file a paper claim instead of filing by telephone.

Here's how the claim process works:

- Contact the TPA at 1-800-960-0052 to file your claim. You cannot apply before your last day worked.
- The customer service representative will collect basic information including name, Social Security number, date of birth, and current mailing address.
- The TPA will ask questions that relate to your claim, such as: employer and employer location, the nature of your disability, last day worked, the name, address and telephone number of your attending and/or treating physician, and any additional work-related information.
- An introductory packet will be mailed to you which includes a medical release form, an ICI and/or LTDI Repayment Agreement and claim information. An election form for LTDI coverage may also be included in the introductory packet if you are eligible for coverage under the WRS disability program based on your dates of employment.
 - ✓ You must sign the medical release form and return it to the TPA and/or your attending treating physician immediately. Note: The attending and/or treating physicians, clinic or medical records departments may not release confidential medical information to the TPA without your consent. Until that release is given, the claim cannot be processed.
 - ✓ Please sign and return the ICI and/or LTDI Repayment Agreement to ETF.
 - ✓ If you receive your election form in your introductory packet, the form must be completed and returned to continue processing your LTDI claim. By signing and returning the election form you waive all present and future rights to benefits under the WRS disability program (s.40.63). The election form is irrevocable.

Any questions pertaining to benefit plan requirements, claim status, etc., are to be directed to the TPA at 1-800-960-0052. The TPA representatives are available from 7:45 a.m. to 4:30 p.m. Central time, Monday through Friday, except State holidays. You may leave voice mail messages 24 hours per day, 7 days per week.

If you are approved for LTDI benefits, your benefit will be paid once the employer reports your final earnings and service, last day paid and whether you are terminated or on a leave of absence. You need not terminate your employment to be eligible to receive LTDI benefits. Depending on your employer's personnel policy, you may be on a leave of absence for a maximum of

36 months at which time you will be terminated for WRS purposes if it didn't occur at an earlier date. If you are converting your sick leave credits to pay your health insurance premiums you must terminate your WRS employment.

If approved, your benefit will usually be effective the day after your last day paid. If you die before your claim is approved, your claim is deemed approved if:

1. You meet the LTDI eligibility criteria, and
2. Your claim for LTDI benefits and at least one qualifying medical report is received before your date of death, and
3. You die on or after the date which would have been the effective date of your LTDI benefit and no further earnings are payable to you.

If you delay applying, your benefit effective date cannot be retroactive more than 90 days before we receive your claim form.

If the *Medical Report* submitted by the physician of your choice indicates you meet the disability definition, you will be sent another *Medical Report* form and a letter regarding who you may see for the second opinion. You may be asked to see a physician who specializes in the area of your disability, or, if your first medical report was completed by a specialist, you may have any physician who is currently treating you complete the second medical report. Your last exam date for the *Medical Report* completed by your physician must be within six months from the date you submit your disability claim. If your exam was more than six months from the date your LTDI claim is received, you will be required to have a current exam completed by your physician. Once you receive our letter, you must make arrangements for another examination and completion of the second *Medical Report*. **NOTE: Physician means a licensed medical doctor. The cost associated with securing medical reports is your responsibility.**

DENIAL OF BENEFITS

If the TPA denies your claim for LTDI benefits and you do not agree with the decision or determination, you have the right to request an administrative review from ETF. Your written request must be received by ETF within 90 days of the date of the initial determination notice.

If ETF upholds the initial denial, you have several options available. You may do one or more of the following:

1. Apply for a regular retirement benefit if you are at *least* age 55 (age 50 if protective). If you apply within 60 days of denial, this benefit would begin on the same date that the disability benefit would have begun. If you apply for a regular retirement annuity and it is approved, you may not apply for a disability annuity at a later time.
2. Apply for a separation benefit if you are under age 55 (age 50 if protective). A separation benefit means you are withdrawing only the Employee Required contributions plus accumulated interest. Payment of a separation benefit means you forfeit your employer required contributions plus interest, and your entitlement to any future benefits from the retirement program based on service prior to the separation. You also forfeit the right to reapply for LTDI benefits unless you return to WRS covered employment and meet all the requirements again.

3. Reapply for LTDI benefits. You must meet the Eligibility Requirements for Benefits as outlined on page 3.
4. Leave your contributions in the retirement system until a later date.
5. If you wish to contest ETF's findings, a written request for an appeal to the appropriate board under Chapter ETF 11, Wis. Adm. Code, must be received by ETF within 90 days following the date of the notice.

WITHDRAWAL OF CLAIM

You may withdraw your LTDI claim by submitting a written request to the TPA up to the date of the first payment (check).

CANCELLATION OF BENEFIT

ETF must receive the two qualifying medical reports and your employer's certification within 12 months after the date you file your LTDI claim by telephone or date your paper claim is received by ETF. If not, your LTDI claim must, by law, be cancelled and void.

If your LTDI claim is cancelled, the options available to you are explained under Denial of Benefits on page 10.

NON-DUPLICATION PROVISION OF OTHER DISABILITY BENEFITS

Protective occupation participants may be eligible for benefits under Wis. Stat. § 40.65 if the disability is duty-related. There are special offset and non-duplication provisions under this program that may affect your eligibility for LTDI benefits. Please contact ETF for further information about eligibility and offset provisions.

INSURANCES

GROUP LIFE INSURANCE WAIVER OF PREMIUM

If you are presently insured under the Wisconsin Public Employers Group Life Insurance Program, you may be eligible to continue coverage without further premium payments. Premium payments are waived if you are a totally and permanently disabled participant and your employer submits a request for a disability premium waiver form to ETF. The employer must submit the request within 36 months after the last day for which WRS earnings were paid. If the waiver is approved, you will be notified of your amount of coverage. However, you should continue to pay premiums until notified that they are no longer due. Contact ETF within 30 days after termination of employment for special instructions for keeping your life insurance coverage in force while your LTDI claim is pending. ETF will provide additional information about continuing your life insurance coverage; the action you may need to take will depend on the approval or denial of your LTDI application and your WRS benefit status.

GROUP HEALTH INSURANCE COVERAGE

If you are on a leave of absence from your employer and are covered under the Group Health Insurance Program administered by ETF, you may continue to pay your monthly premiums through your employer while your LTDI claim is being processed. If you do not pay the premiums your coverage will lapse. You will then be offered a 30-day health insurance enrollment opportunity upon approval of your LTDI benefit.

You can only use your accumulated sick to pay for WRS health insurance premiums when you have severed your employee/employer relationship.

Participating employees whose compensation plan or contract provides for unused sick leave conversion to pay group health insurance premiums have the option of using unused sick leave or converting it for credits to pay group health insurance premiums.

If approved for LTDI benefits, health insurance premiums cannot be deducted from the LTDI check. Premiums will be directly billed to you from the insurance carriers or paid from your unused sick leave credits.

MEDICARE SUPPLEMENT INSURANCE

To keep your WRS group health insurance, **you must enroll for both Parts A and B of Medicare** (Hospital & Medical) **when first eligible**. Medicare is available before age 65 to a person who has received Social Security disability for two years or has permanent kidney failure. This is required by state law to integrate with, not duplicate, Medicare benefits.

It is **your responsibility** to notify us when you and other family members enroll in Medicare. We adjust your group health insurance premium to the appropriate Medicare supplement amount after we know the effective date(s) of Medicare coverage. Use a *Medicare Eligibility Statement* (form ET-4307) to inform us of your Medicare effective dates. The form is available from this office. You should also send in a photocopy of your Medicare card.

MILWAUKEE PUBLIC SCHOOL TEACHERS

Teachers in the Milwaukee school system have insurance coverage administered by the school board. You should contact that office for information about your options for continuing coverage.

INCOME CONTINUATION INSURANCE

State of Wisconsin Employees

If you are presently insured under the Income Continuation Insurance (ICI) program, you may be eligible for benefits. Benefits under this insurance program become payable after you have exhausted your accumulated sick leave or satisfied the required elimination period, whichever is longer. If you have accumulated more than 130 days of sick leave and your disability is not total and permanent, your benefits may begin only after using 130 days of sick leave.

- Participating employees whose compensation plan or contract provides for converting unused sick leave to pay group health insurance premiums, and who qualify for a disability benefit, can either use sick leave until exhausted or convert it for credits to pay health insurance premiums. If the sick leave is converted, the ICI benefit will begin after the required elimination period is satisfied or the day after the last day of sick leave is used, whichever is later. You can elect to bank your sick leave at a specific

date based on your filing an LTDI claim by informing your employer. If the claim is not approved, you will have to repay the ICI benefits overpaid.

Depending on the extent of your disability, the ICI plan may provide benefits for as long as you remain totally disabled or until you reach "normal retirement age." For most employees that is age 65. However, ICI benefits may extend beyond normal retirement age, depending on your age at the time your disability begins. Disabilities which begin between the ages of 62 and 70 have slightly different benefit duration periods.

This insurance plan is designed to coordinate or integrate with your WRS benefits or any social security income replacement benefits. **You will be required to repay the duplicate benefits to the ICI program.** Therefore, WRS regular retirement, disability retirement benefits or LTDI benefits or social security benefits will be an offset against the total monthly ICI benefit. Your ICI payments will be reduced by the annuitant's life only monthly payment option amount of your WRS benefits, regardless of the annuity option you actually select.

Local Government Employees

Local government employees insured under the Wisconsin Public Employers Income Continuation Insurance program **including repayment of duplicate benefits to the ICI program**, are subject to the general requirements outlined above for state employees, *except that the exhaustion of accumulated sick leave is not required. If sick leave is paid after the required elimination period, the Income Continuation Insurance benefit is reduced by the amount of sick leave paid.*

SOCIAL SECURITY

You can contact the Social Security Administration at 1-800-772-1213 for a projection of your Social Security benefits. Remember Social Security is a federal benefit and is separate from your Wisconsin Retirement System benefit. You must contact the Social Security Administration about any Social Security benefits which you may be eligible for.

TAXABILITY OF BENEFITS

If you receive a long term disability insurance benefit, you may qualify for the IRS "Disability Income Tax Credit."

LTDI benefits are fully taxable since you did not pay premiums for long term disability coverage unless you qualify for the IRS disability income tax credit.

For more information on federal income taxes and the tax status of your LTDI benefits, contact an Internal Revenue Service district office and request Publication 524 "Credit for the Elderly or the Disabled."

Great effort has been made to ensure that the information in this circular is accurate. However, if there is any conflict between the information and the law, the law must be followed.

ETF does not discriminate on the basis of disability in the provision of programs, services or employment. If you are speech, hearing or visually impaired and need assistance, call 1-877-533-5020 or (608) 266-3285 (local Madison) . We will try to find another way to get the information to you in a usable form.

**ALWAYS INCLUDE YOUR NAME, SOCIAL SECURITY NUMBER,
AND DATE OF BIRTH ON ALL CORRESPONDENCE
TO THIS DEPARTMENT OR CORE, INC.**

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Contact Information

Aetna

1-800-960-0052 (toll free)
1-866-667-1987 (fax)
ICILTDI@aetna.com (e-mail)

Internet Site

etf.wi.gov

Find Wisconsin Retirement System and related benefit program information as well as several ways to contact ETF by e-mail.

ETF Self-Service Lines

1-877-383-1888 (toll free)
(608) 266-2323 (local Madison)

Request forms or brochures through the ETF self-service lines, available 24 hours a day, seven days a week. Annuitants may also call to change address or tax withholding elections.

ETF Main Telephone Lines

1-877-533-5020 (toll free)
(608) 266-3285 (local Madison)

Employees and employers can speak with an ETF benefit specialist during office hours from 7:45 a.m. to 4:30 p.m.
Monday through Friday (except holidays)

Wisconsin Relay Service (for hearing and speech impaired) 7-1-1 or 1-800-947-3529 (English)
1-800-833-7813 (Spanish)

ETF Telephone Message Center

1-800-991-5540 (toll free)
(608) 264-6633 (local Madison)

Hear detailed messages covering a variety of WRS topics. Please note that these are all recorded messages. You can speak with an ETF benefit specialist by calling the local or toll-free main telephone line.

Mailing Address

Department of Employee Trust Funds
P. O. Box 7931
Madison, WI 53707-7931

Appointments

Schedule an appointment by calling:
1-877-533-5020 ext. 65717 (toll free)
(608) 266-5717 (local Madison)



Wisconsin Department of Employee Trust Funds
801 W. Badger Road
Madison, Wisconsin 53713