

Disability Benefits Chart – Offsets by Program

BENEFIT PROGRAM	§ 40.63 (1) and (4)	Duty Disability § 40.65	Long-Term Disability Insurance (LTDI)	State Income Continuation Insurance (ICI)	Local ICI
OFFSETS					
Sick Leave	Will be used to extend last day paid unless employer has sick leave conversion plan.	If also applying for § 40.63 or LTDI benefit – SL will be used to extend last day paid. If not eligible for 40.63 or LTDI employer not required to extend last day paid. If approved for §40.63 or LTDI after the 40.65 benefit is paid, SL earnings offset by date of check.	Will be used to extend last day paid unless employer has sick leave conversion plan.	Maximum to be used 130 days (extends benefit begin date.) Can bank if approved for 40.63/LTDI. Must serve 30 calendar day elimination period or selected elimination period (UW faculty only), Dollar for dollar offset if sick leave used after elimination period.	Only if paid out after selected elimination period. Dollar for dollar offset.
Vacation, sabbatical, comp. time/personal holidays	Extends the last day paid	Extends last day paid if applying for § 40.63 or LTDI. If approved for §40.63 or LTDI after the 40.65 benefit is paid, vacation, sabbatical, comp. time/personal holiday earnings offset by date of check.	Extends the last day paid	Dollar for dollar offset if paid after selected elimination period. If paid out upon return to part-time employment, offset at 75%.	Dollar for dollar offset if paid after selected elimination period or non-approved rehab. Return to part-time employment, offset at 75%.
Worker's Compensation (WC) Temporary Payments	If not terminated, employer must report as full earnings and service. Extends last day paid. If terminated, no effect.	Dollar for dollar offset if paid after effective date of benefit.	If not terminated, employer must report as full earnings and service. Extends last day paid. If terminated, no effect.	If paid during the elimination period extends sick leave - thus extends the use of sick leave and extends the benefit begin date. If paid after elimination period, Dollar for dollar offset.	Dollar for dollar offset after selected elimination period.
WC Permanent Disability Payments	No effect	¹ Dollar for dollar offset if paid after effective date of benefit.	No effect	No effect	No effect
WC Compromise	No effect	Dollar for dollar offset if paid after effective date of benefit. Offset on a monthly basis until full amount of lump sum recovered.	No effect	Based on date of WC check if the agreement doesn't indicate type of benefit and period covered. ICI totally offset until the amount is recovered.	Based on date of WC check if the agreement doesn't indicate type of benefit and period covered. ICI totally offset until the amount is recovered.

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Medical expense, attorneys expense, rehab-training due to WC injury or illness	No effect	No effect	No effect	No effect	No effect
Third Party Liability	No effect	No effect	No effect	If award for lost wages or lost earnings, then offset.	If award for lost wages or lost earnings, then offset.
Social Security Disability (SSDI)	No effect	² Dollar for dollar offset updated annually; includes offsets if payable to spouse and dependent(s) based on participant's work record.	No effect	² Dollar for dollar offset. Original award. Offset amount not increased due to COLA. Includes any benefits payable to participant.	² Dollar for dollar offset. Original award. Offset amount not increased due to COLA. Includes any benefits payable to participant.
Social Security Retirement	No effect	² Must apply at age 62. Offset is Dollar for dollar updated annually.	No effect	² Age 65, offset Dollar for dollar, offset not increased. Will offset Dollar for dollar for early retirement if receiving.	² Age 65, offset Dollar for dollar, offset not increased. Will offset Dollar for dollar for early retirement if receiving.
Unemployment Comp.	No effect	Dollar for dollar offset if paid after effective date of benefit	No effect	Dollar for dollar offset if paid while receiving benefits	Dollar for dollar offset if paid while receiving benefits
WRS Retirement § 40.23	Not applicable	² Dollar for dollar offset; amount adjusted annually. Offset starts at age 50 if terminated and not receiving §40.63.	² Taxable portion of monthly amount payable	² Straight life annuity amount regardless of option selected. Not required to apply until NRA.	² Straight life annuity amount regardless of option selected. Not required to apply until NRA.
40.63(1)(4)	Not applicable	² Dollar for dollar offset; amount increased annually	Not applicable	² Straight life annuity amount regardless of option selected.	² Straight life annuity amount regardless of option selected.
Separation	Not applicable	Present value offset method used to compute monthly offset. Duty disability recipients approved for benefits based on Cancer Presumptive are not allowed to take a separation benefit while receiving duty disability benefits. ² Non-vested members must apply at age 50, if terminated.	Benefit is suspended until taxable portion of lump sum recovered. Non-vested members are required to apply at NRA (or age 62 for former Protective Occupation employees)	Present value offset method used to compute monthly offset. Non-vested members are required to apply at NRA (or age 62 for former Protective Occupation employees)	Present value offset method used to compute monthly offset. Non-vested members are required to apply at NRA (or age 62 for former Protective Occupation employees)

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Wisconsin Deferred Compensation	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
WRS additional and tax deferred contributions	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Earnings (including self employment)	Earnings limit for any employment (\$ amount indexed annually). Benefit is suspended the first of the month in which the earnings limit was exceeded. (example: exceeded earnings limit in May; benefit suspended as of 5/1/xx; will not receive 6/1/xx check) For 40.63(4) benefits suspended only if earnings from protective employment.	If earnings from same employer under which disability occurred, Dollar for dollar offset. Earnings from other employers are offset on a tiered basis.	Earnings limit for any employment (\$ amount indexed annually). Benefit suspended the first of the month in which the earnings limit is exceeded. If exceeded two years while on program, benefits will be terminated. Special (under ETF50.58): if return to protective employment, benefit will be terminated. If return to non-protective employment, benefit will be suspended each year they reach the earnings limit, but will not be termed.	If approved rehab or return to work part time at prior employer, 75% offset. Otherwise, Dollar for dollar.	If approved rehab or return to work part time at prior employer, 75% offset. Otherwise, Dollar for dollar.
40.65 Duty Disability Benefit	No effect	Not applicable	Not eligible for LTDI supplemental retirement contributions.	Dollar for dollar offset of original gross benefit amount (i.e. before offsets).	Dollar for dollar offset of original gross benefit amount (i.e. before offsets).
Employer sponsored income continuation plan	Not applicable	Not applicable	Not applicable	Offset Dollar for dollar	Offset for Dollar for dollar
LTDI	Not applicable	² Dollar for dollar offset; amount adjusted annually.	Not applicable	² Offset at original amount. If LTDI reduced for WRS retirement or separation, offset to ICI is adjusted.	² Offset at original amount. If LTDI reduced for WRS retirement or separation, offset to ICI is adjusted.

¹ If participant fails to apply for Worker's Compensation – Permanent Disability benefits, 5% of the monthly duty disability benefit will be withheld from the duty disability benefit until the WC payment is determined (local employee only).

² Participant must apply when first eligible or offset will be based on estimated amount of benefit payable.