

2018 Annual Disability Statistics

Joint Meeting of the Employee Trust Funds,
Teachers Retirement, and
Wisconsin Retirement Boards

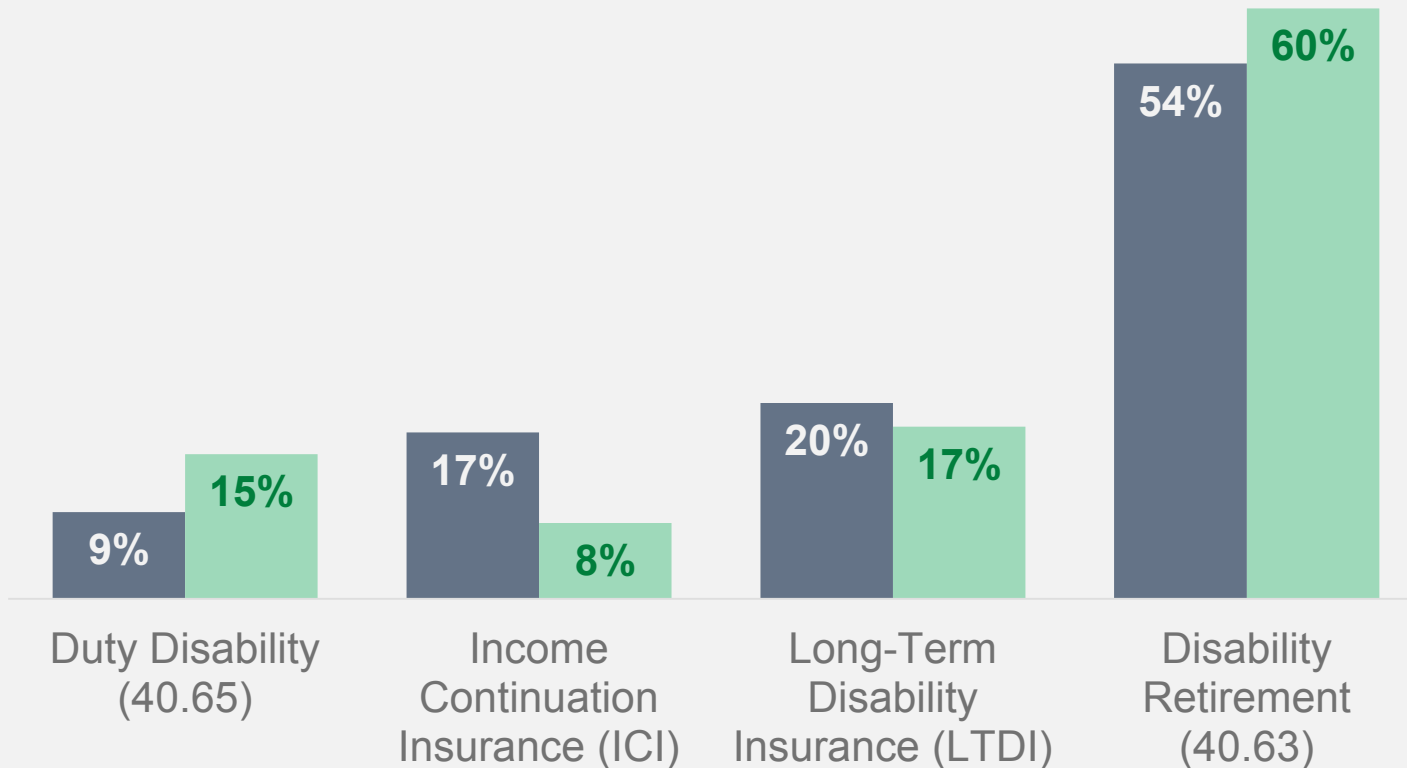
Jim Guidry, Director

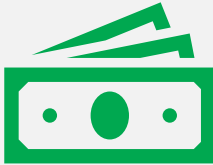
Benefit Services Bureau



Disability Programs

■ Share of benefit recipients ■ Share of benefit payments



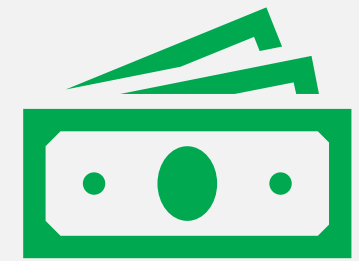
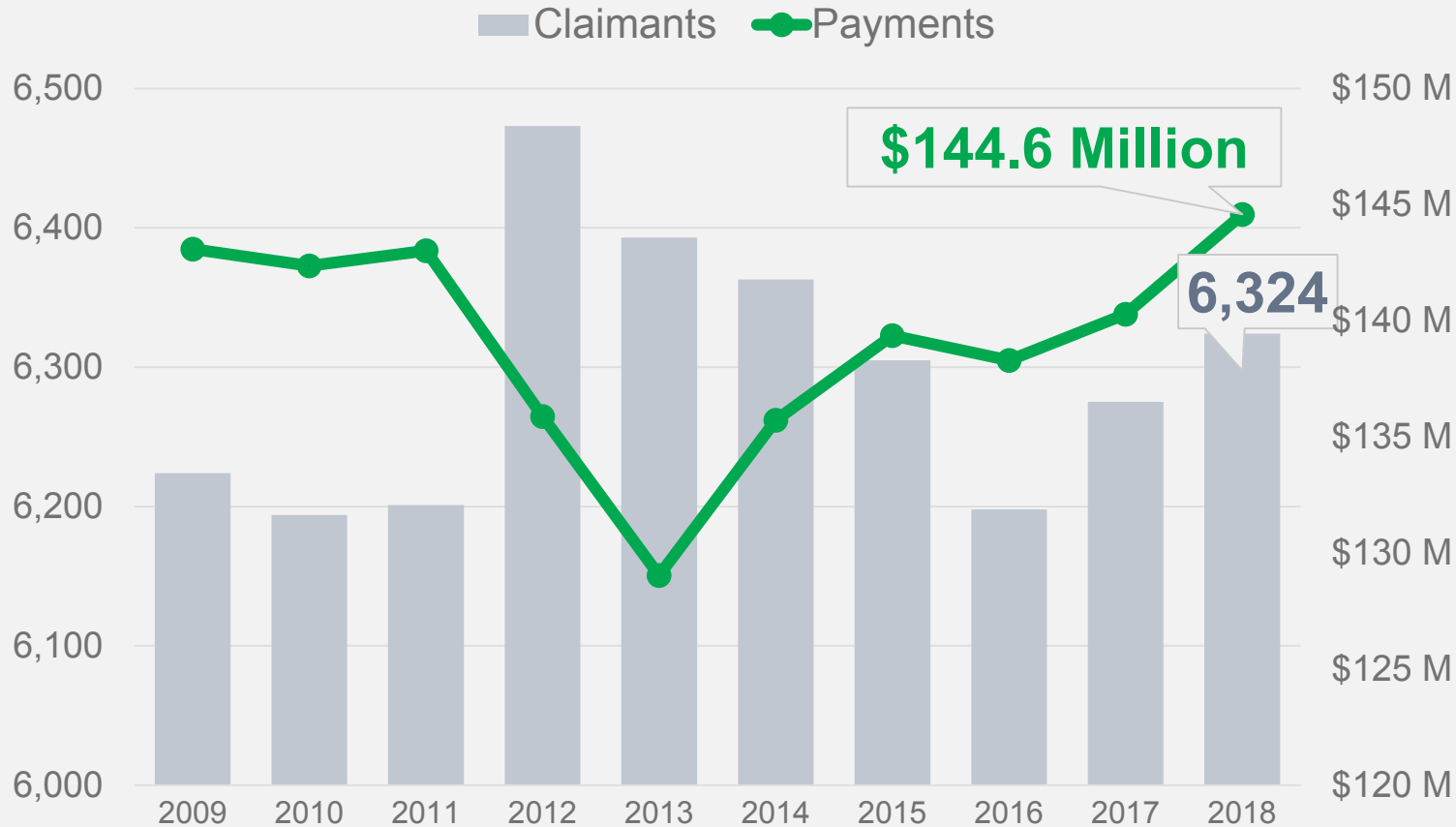
 **\$240.8 million**
annual benefit payments

 **11,628**
separate claims

See page 2 of report for details.

2018 Annual Disability Statistics – March 21, 2019

Disability Retirement (40.63)

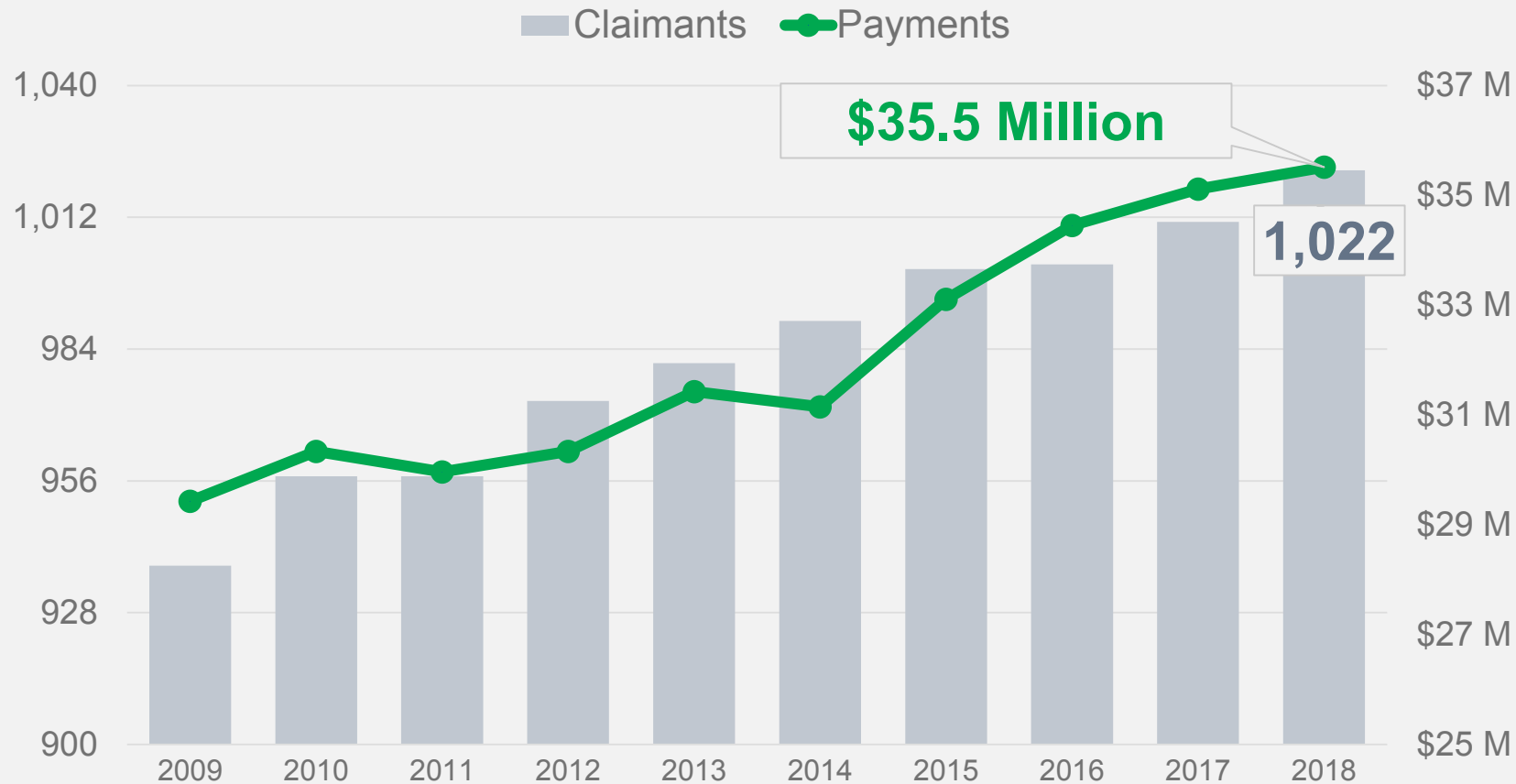


\$1,905/month
2018 average benefit

Benefit payments and claim increases reflect re-opening of the program

Overview. See page 5 of report for details.
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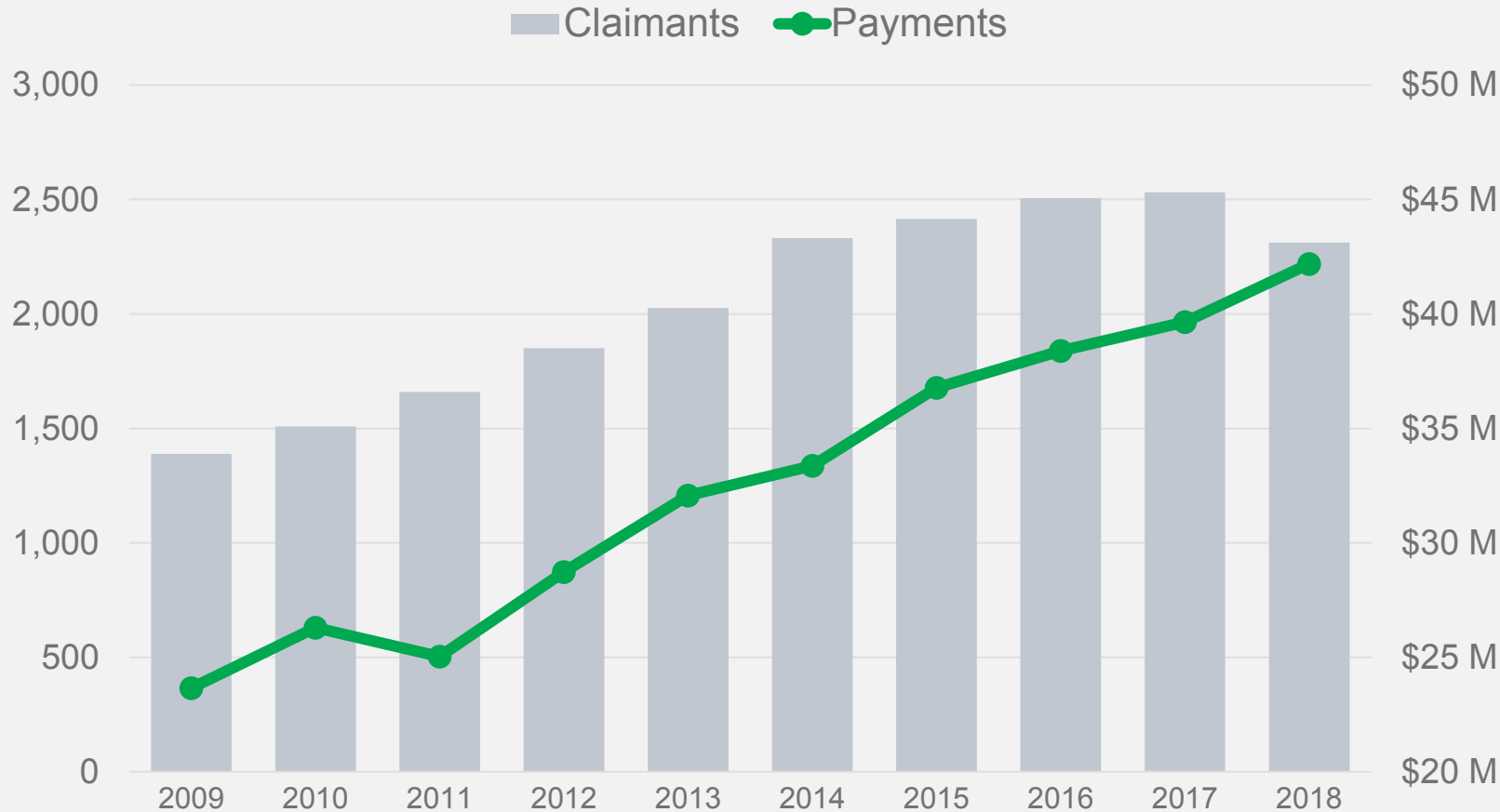
Duty Disability (40.65)



\$2,896/month
2018 average benefit

Overview. See page 6 of report for details.
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Long-Term Disability Insurance (LTDI)



37-year run-out



Most claims terminated in 15 years or less

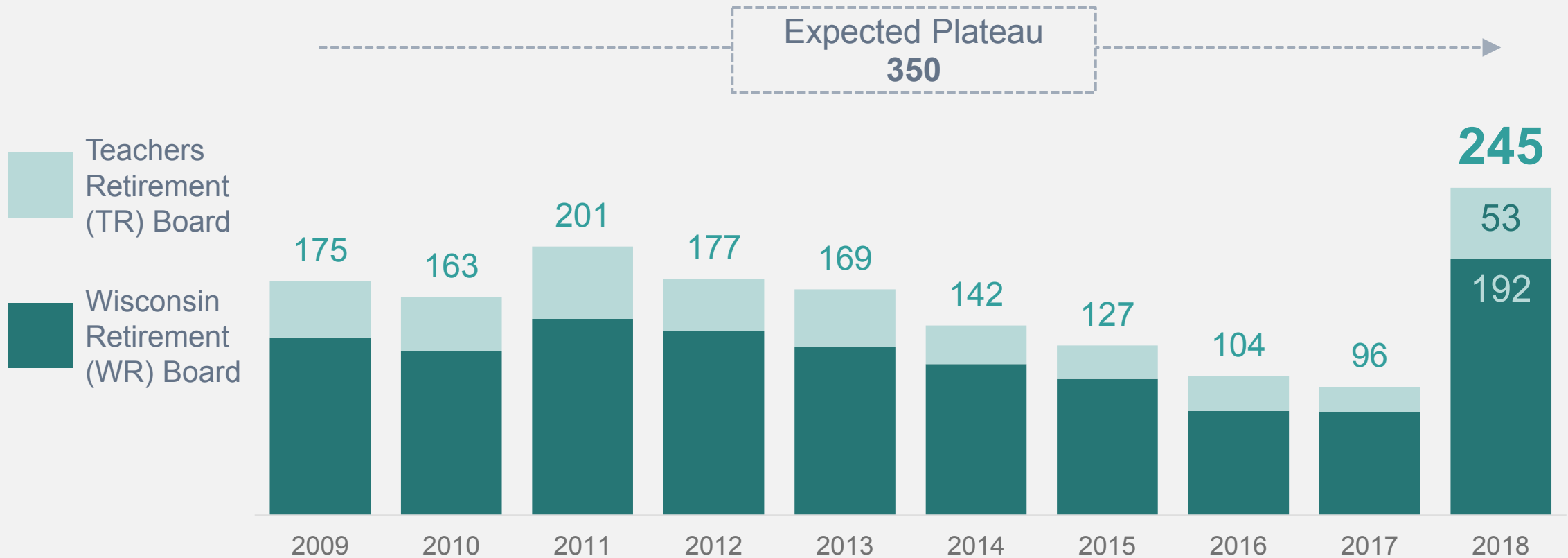
7.7%

Claims in first year of closure

Overview. See page 6 of report for details.
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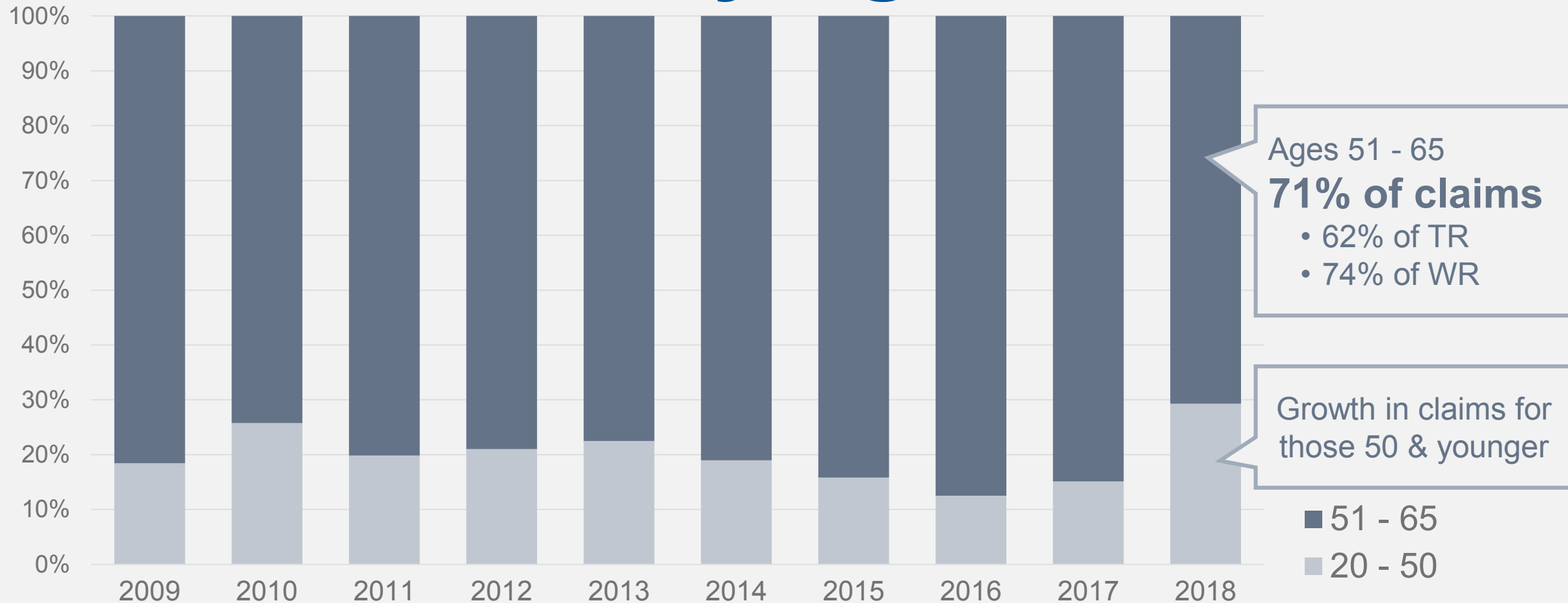
Retirement Disability (40.63)

Benefits Started



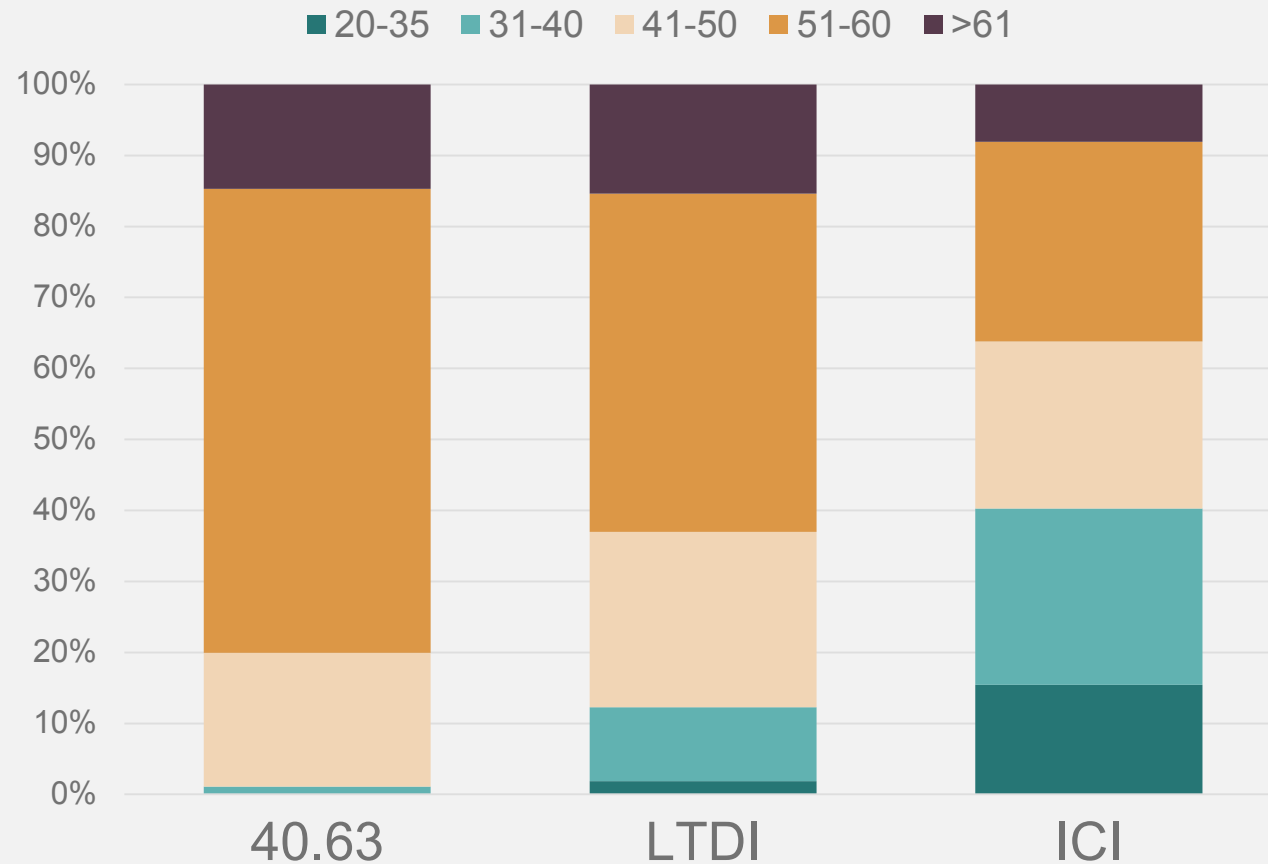
Overview. See page 9 of report for details.
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40.63 Claims by Age



Overview. See pages 9-10 of report for details.
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Age Distribution by Program



- ICI & LTDI claims show broader age distribution than 40.63
- ICI includes short-term disabilities
 - Only 40% of claims for 51 & older
- Over time, 40.63 expected to resemble LTDI distribution

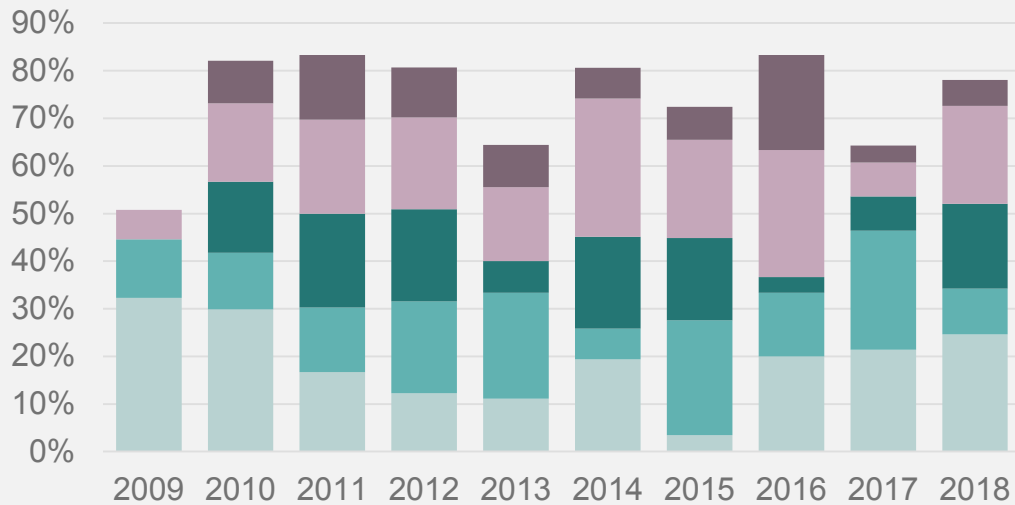
Data is an average of the past 10 years for 40.63 & ICI. The past 9 years for LTDI.

Overview. See pages 9-11 of report for details.
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40.63 Disability Types

Fluctuate from year to year - Low number of TR claims create volatility

TR Board Claims

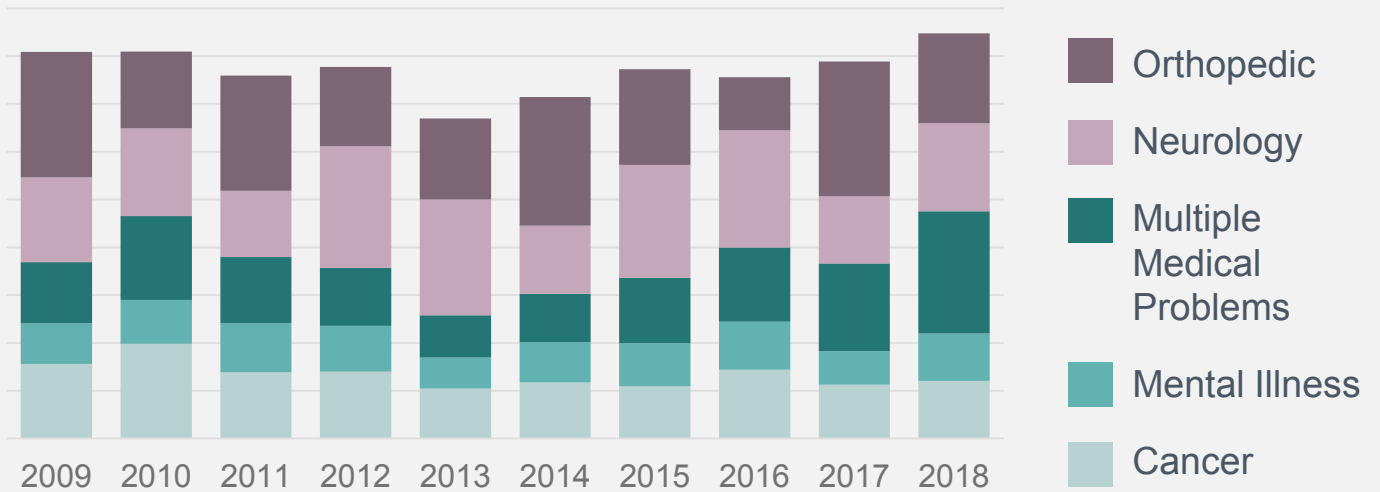


Neurology, cancer, orthopedic, multiple medical claims



Mental illness claims

WR Board Claims



All major claim groups except orthopedic

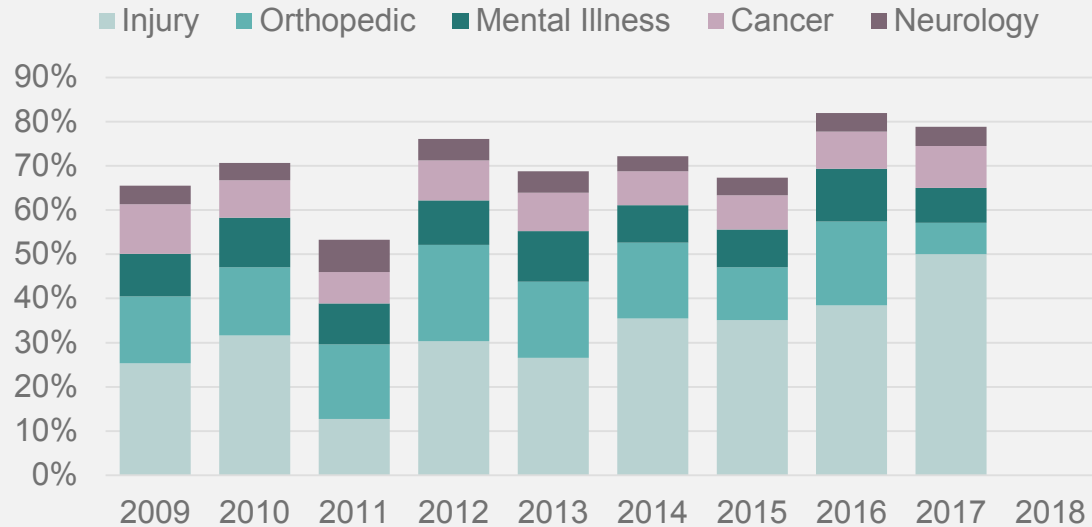
26% Multiple medical claims

Overview. See pages 11-12 of report for details.
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LTDI & ICI Disability Types

Disability types remain fairly consistent

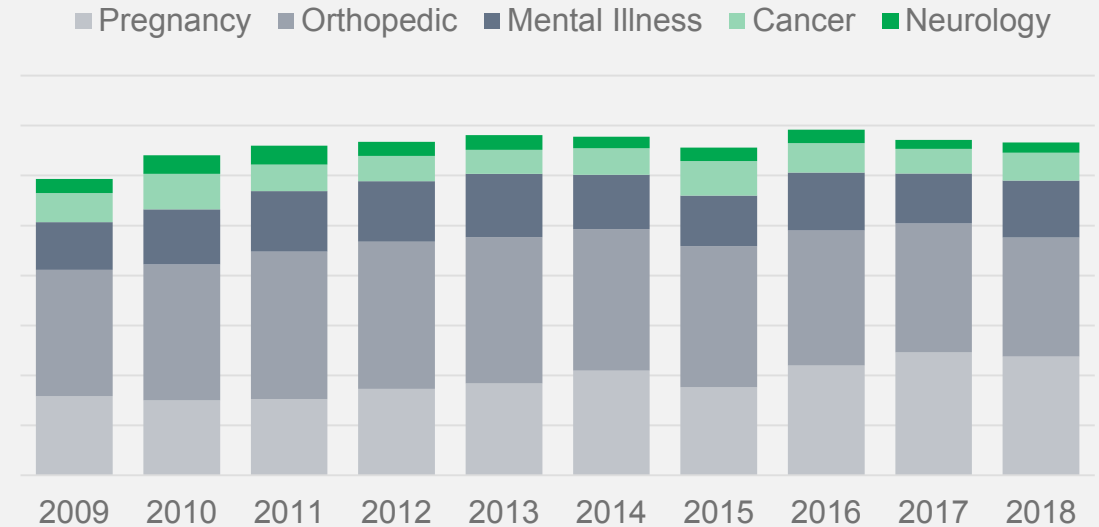
LTDI Claims



No longer accepting claims in 2018

Overview. See pages 12- 13 of report for details.
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ICI Claims

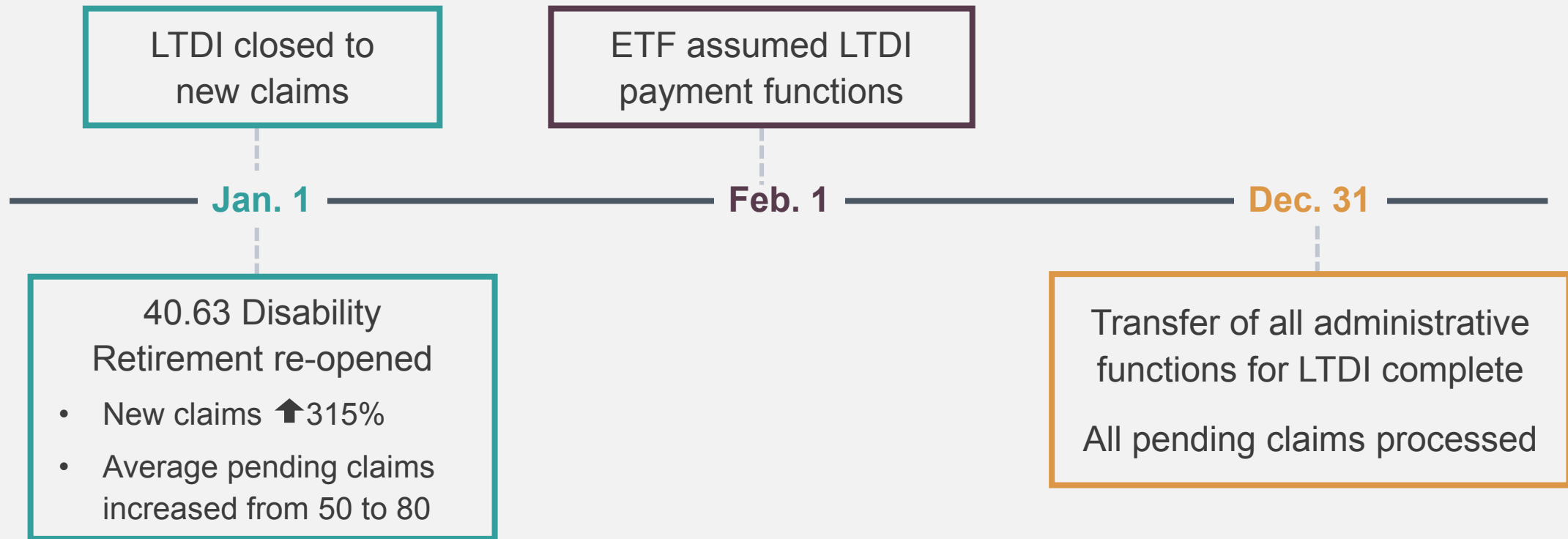


Orthopedic and pregnancy nearly 50% of claims

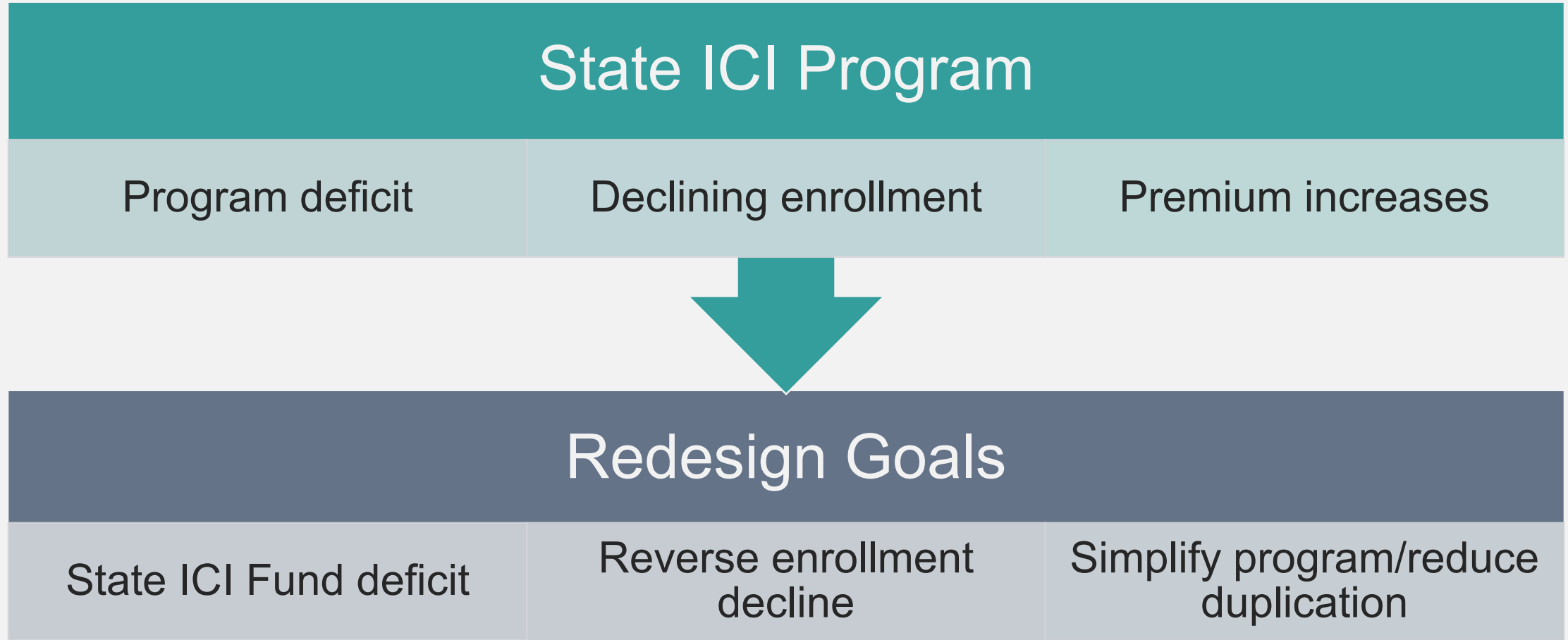
- Growth in pregnancy claims since 2015
- Indicator of short-term component of ICI

Disability Programs Redesign

2018 Timeline



ICI Redesign



ICI Changes

- Decoupling Sick Leave
- Eliminating Long-Term coverage
- Benefit reduction to 70%
- Changes applicable to Local ICI plan
- Statutory changes
- Effective January 1, 2021

Change Details

- Decouple sick leave from premium and benefit determinations
 - Elimination-period (EP) based premiums.
 - EP - 30, 60, 90, and 180 days
 - Eliminate the requirement to exhaust sick leave prior to receipt of benefits in the state ICI program.
 - Employers will pay the entire premium for the longest EP (180 days)
 - Employees pay premium differential for shorter EP.
- Eliminate long-term benefits
 - Maximum benefit period to 18 months following EP
- Reduced benefit – 70% of earnings.

Change Details

- Eliminate supplemental coverage and increase the maximum monthly benefit to \$7,000 based on a monthly salary limit of \$10,000.
- Eliminate the \$75 long-term disability add-on.
- Eliminate the one-year service requirement before UW faculty and academic staff are eligible for employer premium contributions.
- Reduce the earnings offset to 70% for employees who return to work part-time with their former employer.

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

Questions?

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