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**Correspondence Memorandum**

**Date:** May 21, 2021

**To:** Employee Trust Funds Board  
 Teachers Retirement Board  
 Wisconsin Retirement Board

**From:** Jim Guidry, Director  
 Benefit Services Bureau  
 Division of Retirement Services

**Subject:** January – March 2021 Quarterly Disability Annuity Statistics


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

Attached is the Wisconsin Retirement System (WRS) *2021 First Quarter Disability Benefit Statistical Report* for the period January 2021 through March 2021. The report provides quarterly data on benefit payments, the number of annuities started, options selected, gender, determination, age, and disability type. It may be noted that the number of LTDI claimants continues to decrease this quarter, while the number of 40.63 and 40.65 claimants has remained largely stable over the past quarter. As expected, the number of incoming 40.63 claims maintain their elevated levels since the program was reopened in 2018.

We appreciate any feedback or suggestions you may offer for future inclusion in this report. Please contact Jim Guidry at (608) 266-5387 or [jim.guidry@etf.wi.gov](mailto:jim.guidry@etf.wi.gov) if you have comments or questions.

Staff will be at the Board meeting to answer any questions.

Attachment: 2021 First Quarter Disability Statistical Report

Reviewed and approved by Matt Stohr, Administrator, Div. of Retirement Services  
  
 Electronically Signed 5/26/21

Board	Mtg Date	Item #
JM	6.17.21	4E

***Benefit Services Bureau***

***2021 First Quarter Disability Benefit Statistical Report***



May 21, 2021

## Introduction

The Department of Employee Trust Funds (ETF) administers Wisconsin Retirement System (WRS) disability benefits and provides this quarterly report to the Teacher's Retirement and Wisconsin Retirement boards. The *2021 First Quarter Disability Benefit Statistical Report* provides a statistical review of the Disability Annuity (40.63), Duty Disability (40.65), and Long-Term Disability Insurance (LTDI) programs for the months of January, February, and March 2021. This report provides a review of benefit payments, the number of individuals receiving benefits, and other demographic data. As indicated by the data presented below, the number of active LTDI claims continues to decrease, while the number of active 40.63 and 40.65 claims remained stable this quarter. Annual trends and data are included in the annual report, which is typically presented at the first Board meeting of each year.

## Disability Benefit Payments

Table 1.1 shows the monthly totals of benefit payments made during the first quarter of 2021 for the 40.63, 40.65, and LTDI programs. Table 1.2 shows the total number of active claimants each month by program. Both the LTDI benefit payment totals, and the number of active LTDI claimants, continue to decline due to the closure of the program to new claims in January 2018.

Compared to the first quarter of 2020, disability annuity (40.63) benefit payments have increased by 4.1%, duty disability (40.65) totals decreased by 0.5%, and LTDI benefit payment totals decreased by 8.5%.

Table 1.1. Disability benefit payment totals (40.63, 40.65, and LTDI)

Program	Jan 2021	Feb 2021	Mar 2021	1 <sup>st</sup> Qtr 2021*	1 <sup>st</sup> Qtr 2020*
40.63	12,811,668	12,763,243	12,775,791	38,350,702	36,833,572
40.65	2,979,755	3,111,988	3,111,872	9,203,615	9,251,881
LTDI	2,802,518	2,781,361	2,760,806	8,344,685	9,115,055

\*Quarterly totals may not equal the sum of monthly figures due to rounding

At the beginning of 2021, there were 6,437 disability annuitants, 1,026 claimants receiving duty disability, and 1,883 claimants receiving LTDI benefits. Table 1.2 shows the number of active claimants receiving 40.63, 40.65, and LTDI benefits in the first quarter of 2021.

Table 1.2. 40.63, 40.65, and LTDI active claimants

Program	Jan 2021	Feb 2021	Mar 2021
40.63	6,406	6,407	6,407
40.65	1,020	1,020	1,019
LTDI	1,863	1,846	1,830

## § 40.63 Disability Annuity

Table 1.3 shows the number of 40.63 disability annuity estimates requested and completed in the first quarters of 2020 and 2021.

The number of estimates requested increased by 5.4%, compared to the first quarter of 2020, and the number of estimates completed increased by 2.9% compared to the same period in 2020.

Table 1.3. 40.63 estimates requested and completed 2020-2021

	Jan	Feb	Mar	1 <sup>st</sup> Quarter
2021 Disability Annuity Estimates Requested	59	42	75	176
2020 Disability Annuity Estimates Requested	67	56	44	167
2021 Disability Annuity Estimates Completed	59	43	77	179
2020 Disability Annuity Estimates Completed	68	55	51	174

The number of 40.63 disability annuity applications received in the first quarter of 2021 (68) is fewer than the number received in the first quarter of 2020 (84), representing a decrease of 19.0% from last year.

## § 40.63 Benefit Determinations

There were 17 Teachers Retirement (TR) Board disability annuity claim determinations in the first quarter of 2021. Of those, 16 claims were approved, and one was canceled. By comparison, there were 23 claim determinations for the same period in 2020, all 23 of which were approved. This represents a decrease of 26.1% in TR claim determinations from the same period in 2020.

There were 52 Wisconsin Retirement (WR) Board disability annuity claim determinations in the first quarter of 2021. Forty-one applications were approved, six were denied, four were canceled, and one was deemed approved. The number of claim determinations in the first

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quarter of 2021 represents an 11.9% decrease from the 59 WR Board disability annuity claim determinations in the same period in 2020.

Tables 1.4 and 1.5 show the breakdown of disability annuity claim determinations by age. Claims have been extending into younger age ranges now that the program is available to all eligible employees. This quarter, the greatest number of TR Board claims are concentrated in the 46-60 age range. The WR Board claims have also extended into to younger age ranges, but claims this quarter remain concentrated in the 51-60 age range.

Table 1.4. TR Board claim determinations by age

Age	Jan	Feb	Mar	1 <sup>st</sup> Qtr 2021	1 <sup>st</sup> Qtr 2020
31-35	0	0	0	0	0
36-40	0	0	0	0	2
41-45	0	0	0	0	0
46-50	2	2	1	5	3
51-55	2	1	0	3	6
56-60	3	3	0	6	10
61-65	0	2	1	3	2
<b>TOTAL</b>	<b>7</b>	<b>8</b>	<b>2</b>	<b>17</b>	<b>23</b>

Table 1.5. WR Board claim determinations by age

Age	Jan	Feb	Mar	1 <sup>st</sup> Qtr 2021	1 <sup>st</sup> Qtr 2020
31-35	0	0	2	2	3
36-40	1	1	1	3	2
41-45	1	0	4	5	3
46-50	0	3	0	3	4
51-55	5	4	3	12	17
56-60	3	6	11	20	21
61-65	2	1	4	7	9
<b>TOTAL</b>	<b>12</b>	<b>15</b>	<b>25</b>	<b>52</b>	<b>59</b>

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Tables 1.6 and 1.7 show the breakdown of first quarter 2021 disability annuity claim determinations by disability type. TR Board claim disability types consisted primarily of neurology (35%), cancer (18%), and multiple medical problems (18%). WR Board claims consisted primarily of orthopedic (29%), neurology (17%), and cancer (17%).

Table 1.6 TR Board disability annuity claim determinations by disability type

Disability Type	Jan	Feb	Mar	1 <sup>st</sup> Qtr 2021	1 <sup>st</sup> Qtr 2020
Brain Injury	0	0	0	0	1
Cancer	1	2	0	3	6
Cardiovascular	0	0	0	0	1
Chronic Fatigue	0	0	1	1	0
Mental Illness	0	1	0	1	2
Multiple Medical Problems	2	1	0	3	4
Muscle/Tissue	0	0	0	0	1
Neurology	3	3	0	6	6
Orthopedic	1	0	0	1	0
Other	0	0	1	1	1
Respiratory	0	1	0	1	1
<b>TOTAL</b>	<b>7</b>	<b>8</b>	<b>2</b>	<b>17</b>	<b>23</b>

Table 1.7 WR Board disability annuity claim determinations by disability type

Disability Type	Jan	Feb	Mar	1 <sup>st</sup> Qtr 2021	1 <sup>st</sup> Qtr 2020
Cancer	2	3	4	9	12
Cardiovascular	1	1	0	2	3
Diabetes	0	0	0	0	2
Eye Disorders	0	1	0	1	1
Gastro/Intestinal	0	0	0	0	2
Mental Illness	1	2	3	6	0
Multiple Medical Problems	2	3	0	5	16
Multiple Sclerosis	0	1	0	1	1
Muscle/Tissue	1	0	0	1	4
Nephrology	0	1	1	2	2
Neurology	1	3	5	9	8
Orthopedic	3	0	12	15	8
Other	1	0	0	1	0
<b>TOTAL</b>	<b>12</b>	<b>15</b>	<b>25</b>	<b>52</b>	<b>59</b>

## § 40.63 Benefits Started

There were 10 TR Board disability annuities started in the first quarter of 2021. Eight of these (80%) were for female claimants, and two (20%) were for male claimants. In the first quarter of 2020, there were nine disability annuities started: 89% for female claimants and 11% for male claimants.

Table 1.8 shows the breakdown of disability annuity options selected by new annuitants.

Table 1.8. TR Board disability annuities started by option selected

Option	Jan	Feb	Mar	1 <sup>st</sup> Qtr 2021	1 <sup>st</sup> Qtr 2020
100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed	1	2	1	4	5
Life Annuity with 60 Payments Guaranteed	0	1	0	1	2
For Annuitant's Life Only	1	1	1	3	1
Life Annuity with 180 Payments Guaranteed	0	0	0	0	1
75% Continued to Named Survivor (Joint Survivor)	0	1	0	1	0
100% Continued to Named Survivor (Joint Survivor)	1	0	0	1	0
75% Continued to Annuitant or Named Survivor (Joint Survivor) Upon Death of Either	0	0	0	0	0
<b>TOTAL</b>	<b>3</b>	<b>5</b>	<b>2</b>	<b>10</b>	<b>9</b>

There were 40 WR Board disability annuities started in the first quarter of 2021, compared to 37 disability annuities started in the same period in 2020. Disability annuities in this quarter were made up of 24 female annuitants (60%) and 16 male annuitants (40%). In 2020, new disability annuities were split between 27 female (73%) and 10 male (27%) annuitants.

Table 1.9 shows the breakdown of options selected by new WR Board disability annuitants.

Table 1.9. WR Board disability annuities started by option selected

Option	Jan	Feb	Mar	1 <sup>st</sup> Qtr 2021	1 <sup>st</sup> Qtr 2020
100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed	5	6	4	15	16
Life Annuity with 60 Payments Guaranteed	3	1	2	6	3
For Annuitant's Life Only	3	3	1	7	3
Life Annuity with 180 Payments Guaranteed	2	0	4	6	8
75% Continued to Named Survivor (Joint Survivor)	1	1	0	2	3
100% Continued to Named Survivor (Joint Survivor)	3	0	1	4	4
75% Continued to Annuitant or Named Survivor (Joint Survivor) Upon Death of Either	0	0	0	0	0
<b>TOTAL</b>	<b>17</b>	<b>11</b>	<b>12</b>	<b>40</b>	<b>37</b>

## § 40.65 Duty Disability

In the first quarter of 2021, seven duty disability claims were approved, and one duty disability claim was denied.

Duty disability benefits were started for two claimants in the first quarter of 2021, compared with two claims started in the same period in 2020. Table 1.10 shows the breakdown of first quarter 2021 duty disability claims by disability type. None of the claims started in the first quarter of 2021 was approved under the presumptive statutes. No duty disability death benefits were started during this period.

Table 1.10 Duty Disability benefits started by disability type

Disability Type	Jan	Feb	Mar	1 <sup>st</sup> Qtr 2021	1 <sup>st</sup> Qtr 2020
Multiple Medical Problems	0	0	0	0	1
Musculoskeletal	0	1	1	2	1
Neurological	0	0	0	0	0
Psychiatric	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>

## LTDI

As noted above, the Long-Term Disability Insurance (LTDI) program was closed to new claims on January 1, 2018. At that time, there were 2,548 claimants receiving LTDI benefits.

Forty-nine claims were closed in the first quarter of 2021, including 14 deaths; one claim was closed because the claimant failed to submit the required medical recertification, another was closed for exceeding the earnings limit for a second time, and one was closed because it was completely offset by their WRS benefit. The remaining claim closures were due to claimants reaching the maximum duration of their benefits, usually when they reach age 65. There were 1,805 open LTDI claims and two suspended LTDI claims at the end of the quarter.

Thirty claims are expected to reach their maximum duration dates and be closed during the second quarter of 2021. The final LTDI claim is scheduled to reach its maximum duration of benefits on November 30, 2052 but could terminate prior to that date (e.g. death of claimant, failure to submit required documentation, exceeding earnings limit two times). Assuming all claims remain open until the date of their maximum duration, the number of open claims in 10 years will total 587, 97 in 20 years, and in 30 years, there will be two open LTDI claims, based on their maximum duration date.