



STATE OF WISCONSIN
Department of Employee Trust Funds

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CORRESPONDENCE MEMORANDUM

DATE: February 26, 2008
TO: Teachers Retirement Board
Wisconsin Retirement Board
FROM: Diane Poole, Director
Disability Programs Bureau
SUBJECT: October 2007 – December 2007 Quarterly Disability Annuity Statistics

Attached is the Wisconsin Retirement System (WRS) *Disability Benefit Annuity Statistical Report* for October through December 2007. The report provides quarterly data on: number of annuities started, options selected, gender, determination, age, and disability type. No Board action is required.

TRENDS

There was little change in trends for this quarter when compared to the same quarter in the past four years:

- The number of new disability annuities is down slightly. The Teachers Retirement Board (TR) had 18 compared to an average of 20; the Wisconsin Retirement Board (WR) had 46 compared to an average of 54. 2005 tends to skew the WR Board data as it was an unusually high year.
- The most selected annuity option remains “100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed.”
- Females continue to be the predominant user of the §40.63 Disability Retirement Annuity benefit for the TR Board. However, the WR Board had more males than females this quarter (only by two), which is not typical.
- The majority of applications are approved with a very small number being denied.
- The predominant age group is 51-55.
- The prevalent disability types for the TR Board for this quarter in the last five years are: Mental Illness and Cancer. For the WR Board, the prevalent disability types are: Orthopedic, Multiple Medical, and Mental Illness (which is different than this quarter's Cardiovascular, Neurology, and Orthopedic).

DISABILITY PROGRAMS BUREAU WORKLOAD

Staffing

The Disability Programs Bureau is staffed by 5.5 Trust Fund Specialists and 2.5 Policy Analysts. One Policy Analyst was a new hire in March 2007. Two Trust Fund Specialists began last year

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

Board	Mtg Date	Item #
TR	3/13/08	4
WR	3/13/08	3

in July and September. We also received a new Trust Fund Specialist leadworker position and filled that position last month. The Trust Fund Specialists are responsible for the §40.63 and §40.65 programs. This means 55% of our Trust Funds Specialists and 40% of our Policy Analysts are in training. One of the experienced Trust Funds Specialists is part-time. It takes approximately 1-1/2 years to fully train a Trust Fund Specialist in our complex disability programs and about 2-1/2 years for a Policy Analyst to complete training.

Backlog

The statutorily required review of tax returns for the §40.65 program continues to operate under a backlog of about three years. Unfortunately, this causes delays in detecting §40.65 overpayments, causing larger overpayments to individuals who then face substantial financial burdens when asked to repay. Extra hours have been authorized for part-time staff and limited term employees since 1999, with no significant affect on the backlog. We are hopeful that our additional Trust Funds Specialists will eventually help alleviate some of the ongoing 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.