



STATE OF WISCONSIN
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CORRESPONDENCE MEMORANDUM

DATE: May 29, 2008
TO: Teachers Retirement Board
Wisconsin Retirement Board
FROM: Diane Poole, Director
Disability Programs Bureau
SUBJECT: January 2008 – March 2008 Quarterly Disability Annuity Statistics

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

Attached is the Wisconsin Retirement System (WRS) *Disability Benefit Annuity Statistical Report* for January through March 2008. The report provides quarterly data on: number of annuities started, options selected, gender, determination, age, and disability type.

TRENDS

Overall, there was little change in trends this quarter when compared to the same quarter in the past five years:

- The number of new disability annuities is down slightly. The Teachers Retirement Board (TR) had 6, compared to an average of 14; the Wisconsin Retirement Board (WR) had 39, compared to an average of 46. The Wisconsin Retirement Board (WR) average for the past three years is 39. 2004 first quarter tends to skew the WR Board data as it was an unusually high year with 63.
- The most selected annuity option for TR is "Life with 180 Payments Guaranteed." The most selected annuity option for WR 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 both the TR Board and WR Board.
- The majority of applications are approved; a very small number are denied.
- The predominant age groups for TR are 51-55 and 56-60. Predominate age groups for WR are 46-50, 51-55, and 56-60.
- The prevalent disability types for the TR Board for this quarter in the last five years are: Cancer, Mental Illness and Orthopedic. For the WR Board, the prevalent disability types are: Orthopedic, Neurology, and Cancer.

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

Signature _____

Date _____

| Board | Mtg Date | Item # |
|-------|----------|--------|
| TR | 6/26/08 | 3 |
| WR | 6/26/08 | 4 |

DISABILITY PROGRAMS BUREAU WORKLOAD

Staffing

The Disability Programs Bureau is staffed by 5.5 trust funds specialists and 2.5 policy analysts. One policy analyst was a new hire in March 2007. Two trust funds specialists began last year in July and September. We also received a new trust funds specialist leadworker position and filled that position in January 2008. The trust fund specialists are responsible for the §40.63 and §40.65 programs. One of the experienced trust funds specialists is part-time. Currently, 55% of our trust funds specialists and 40% of our policy analysts are in training. It takes approximately 1.5 to 2 years to fully train a trust funds specialist in our complex disability programs and approximately 2.5 years for a policy analyst to complete training.

Backlog

The statutorily required review of tax returns for the §40.65 program had a backlog of about three years. By adding the leadworker position and shifting some staff responsibilities, more experienced staff are dedicating a few hours per week to review tax returns. We have made substantial progress in alleviating this 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.