



STATE OF WISCONSIN
Department of Employee Trust Funds
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CORRESPONDENCE MEMORANDUM

DATE: November 14, 2008
TO: Teachers Retirement Board
Wisconsin Retirement Board
FROM: Diane Poole, Director
Disability Programs Bureau
SUBJECT: July 2008 – September 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 July through September 2008. The report provides quarterly data on: the 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. The Teachers Retirement Board (TR) had 20 under its jurisdiction, compared to an average of 22; the Wisconsin Retirement Board (WR) had 33 under its jurisdiction, compared to an average of 47.
- The most selected annuity option for TR Board related disability annuities is “100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed.” That is also the most selected option for WR Board related disability annuities.
- 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 group for both the TR Board and the WR Board is 51-55.
- The prevalent disability types for the TR Board for this quarter in the last five years are: Cancer, Multiple Medical Problems and Mental Illness. For the WR Board, the prevalent disability types are: Orthopedic, Cancer, and Multiple Medical Problems.

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. One trust funds specialist began last year in September and one began in July 2008. We also received a new trust funds specialist leadworker position and filled that position in January 2008.

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

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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 were able to dedicate several hours per week to review tax returns. We have now completed the review of all tax returns received prior to the 2007 tax year and eliminated the 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.