



STATE OF WISCONSIN
Department of Employee Trust Funds
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CORRESPONDENCE MEMORANDUM

DATE: February 8, 2012
TO: Teachers Retirement Board
Wisconsin Retirement Board
FROM: Lisa Ellinger, Administrator
Division of Insurance Services
SUBJECT: 2011 Disability Benefit Annuity Statistics

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

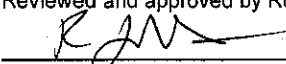
Attached for your review are the 2011 Wisconsin Retirement System (WRS) disability annuity statistics. The report provides information on disability benefit annuity applications approved by the Teachers Retirement (TR) and Wisconsin Retirement (WR) Boards throughout 2011.

2011 DISABILITY ANNUITY HIGHLIGHTS

- The Department of Employee Trust Funds completed disability benefit estimates for 680 participants.
- 40.63 Disability retirement benefits were started for 201 participants.
- Duty disability benefits were started for 15 participants.
- For the disability annuity benefits approved by both the TR and WR Boards, the most popular benefit option was "100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed".

TR BOARD SPECIFICS

- 89% of TR Board disability applications were approved. Only 9% were cancelled/void/withdrawn/invalid, and 2% were denied.
- 76% of TR Board disability annuities started were for females and 24% were for males.
- 6% of TR Board disability applications were for participants aged 41-45; 10% were for participants aged 46-50; 38% were for participants aged 51-55; 29% were for participants aged 56-60; and 17% were for participants aged 61-65.

Reviewed and approved by Robert J. Marchant, Deputy Secretary

Signature _____ Date 2-21-12

Board	Mtg Date	Item #
WR	3.8.12	5A
TR		2

- 85% of TR Board disability applications had one of five disabilities: neurology (20%), multiple medical problems (20%), cancer (17%), mental illness (14%), and orthopedic (14%).

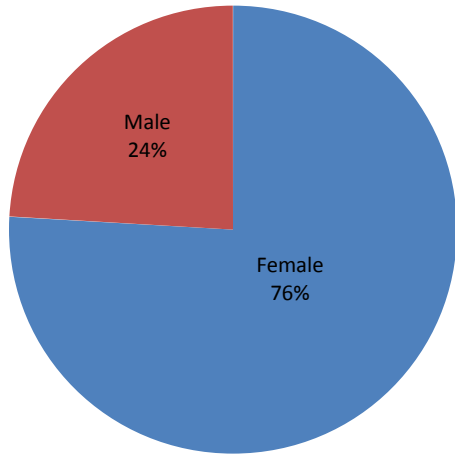
WR BOARD SPECIFICS

- 90% of WR Board disability applications were approved. Only 6% were cancelled/void/withdrawn/invalid and 4% were denied.
- 54% of WR Board disability annuities started were for females and 46% were for males.
- 1% of WR Board disability applications were for participants aged 36-40; 4% were for participants aged 41-45; 16% were for participants aged 46-50; 38% were for participants aged 51-55; 30% were for participants aged 56-60; and 11% were for participants aged 61-65.
- 76% of the WR Board disability applications had one of five disabilities: orthopedic (24%), cancer (14%), multiple medical problems (14%), neurology (14%), and mental illness (10%).

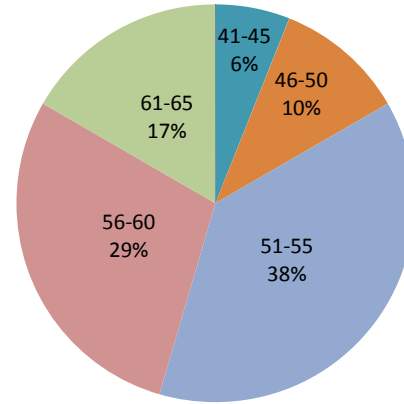
We would appreciate any feedback for improving this report. Please contact me at (608) 264-6627 or lisa.ellinger@etf.state.wi.us if you have comments or questions.

Attachment: 2011 Annual WR & TR Charts

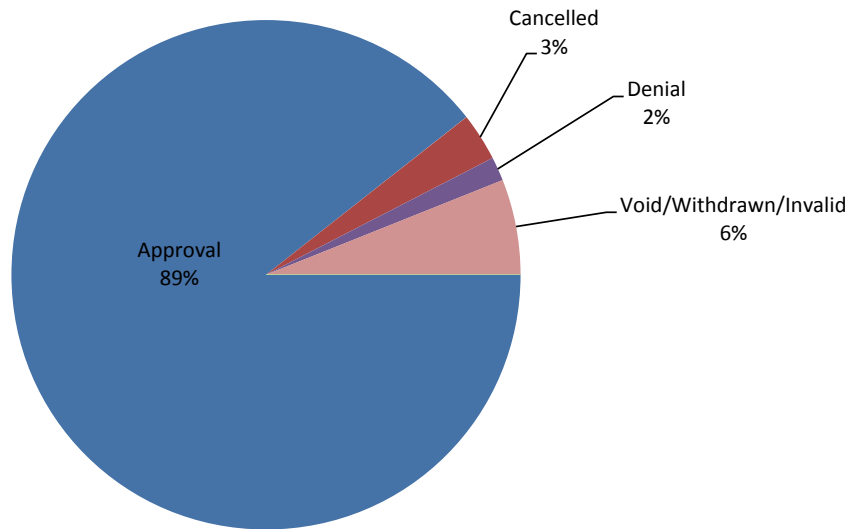
2011 Teachers Retirement Board Disability Annuities Started by Gender



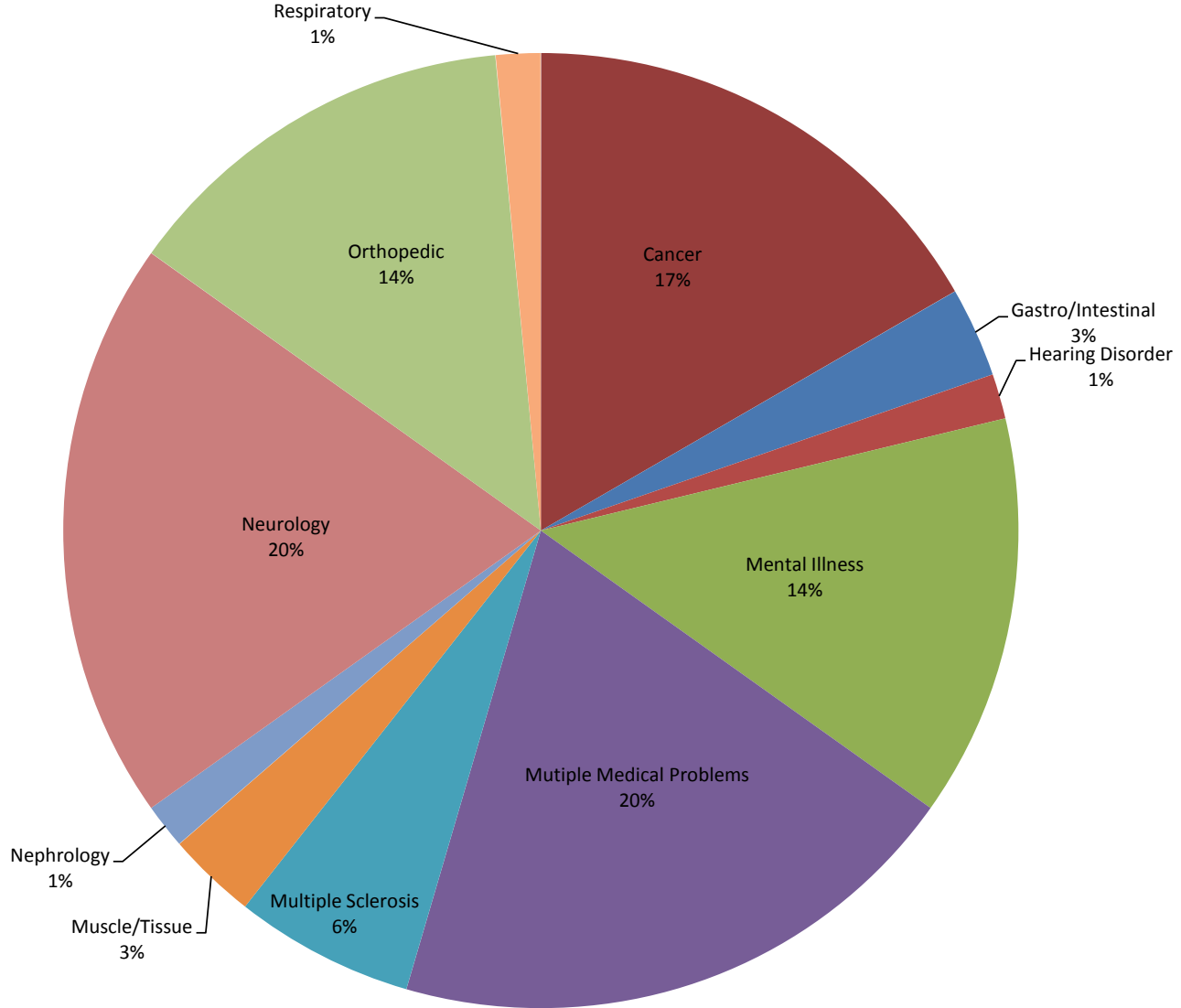
2011 Teachers Retirement Board Disability Applications by Age



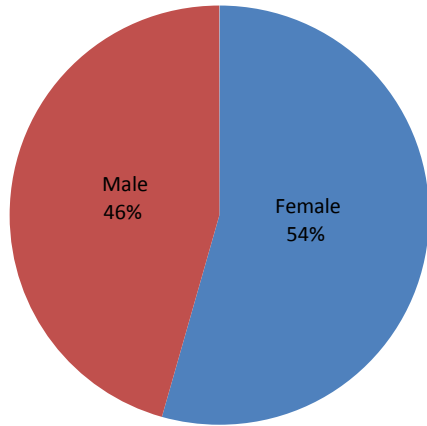
2011 Teachers Retirement Board Disability Applications by Determination



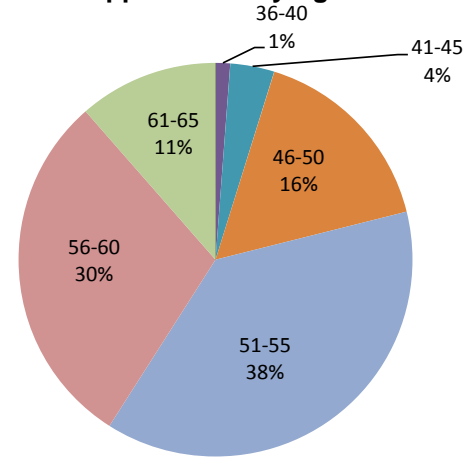
2011 Teachers Retirement Board Disability Types



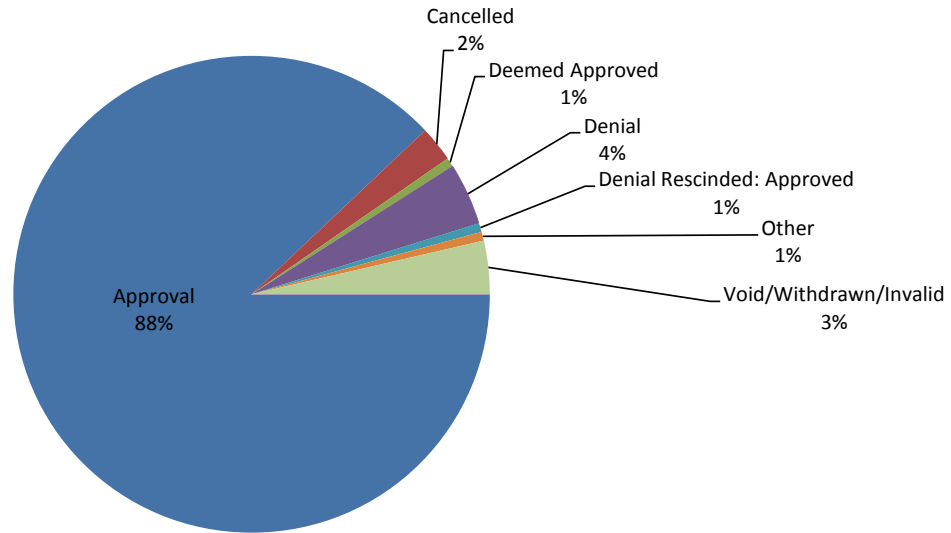
2011 Wisconsin Retirement Board Disability Annuities Started by Gender



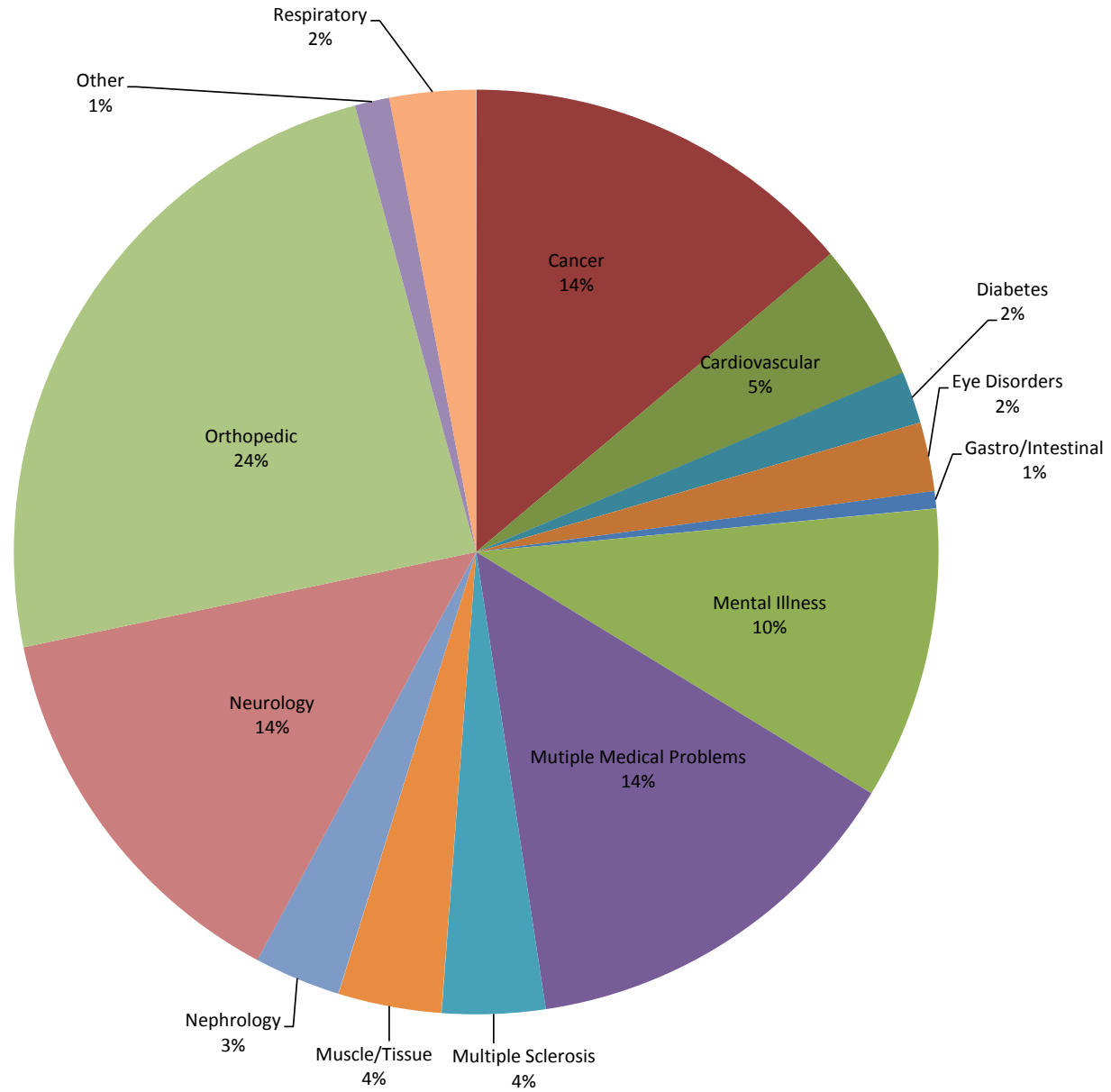
2011 Wisconsin Retirement Board Disability Applications by Age



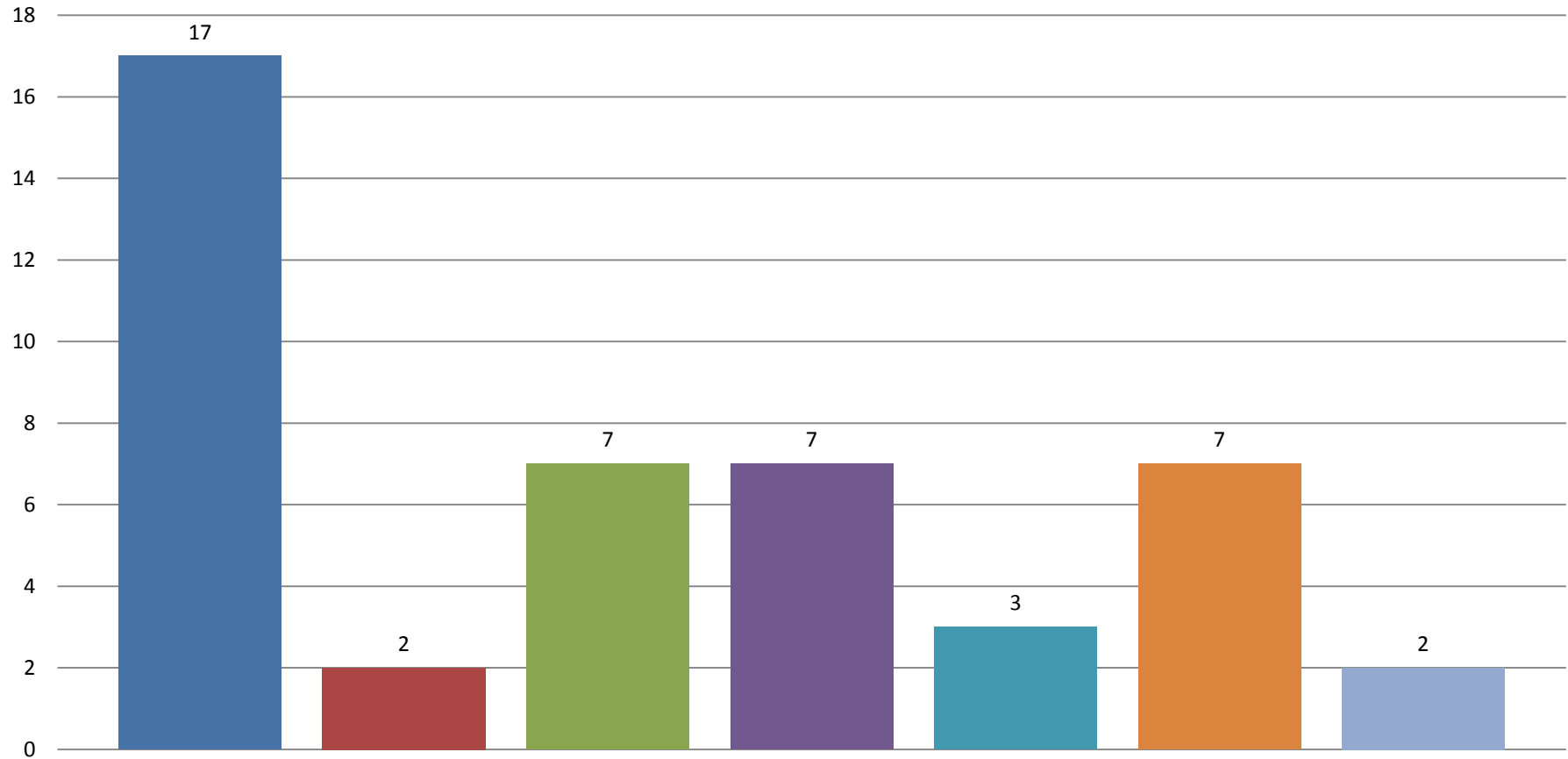
2011 Wisconsin Retirement Board Disability Applications by Determination



2011 Wisconsin Retirement Board Disability Types

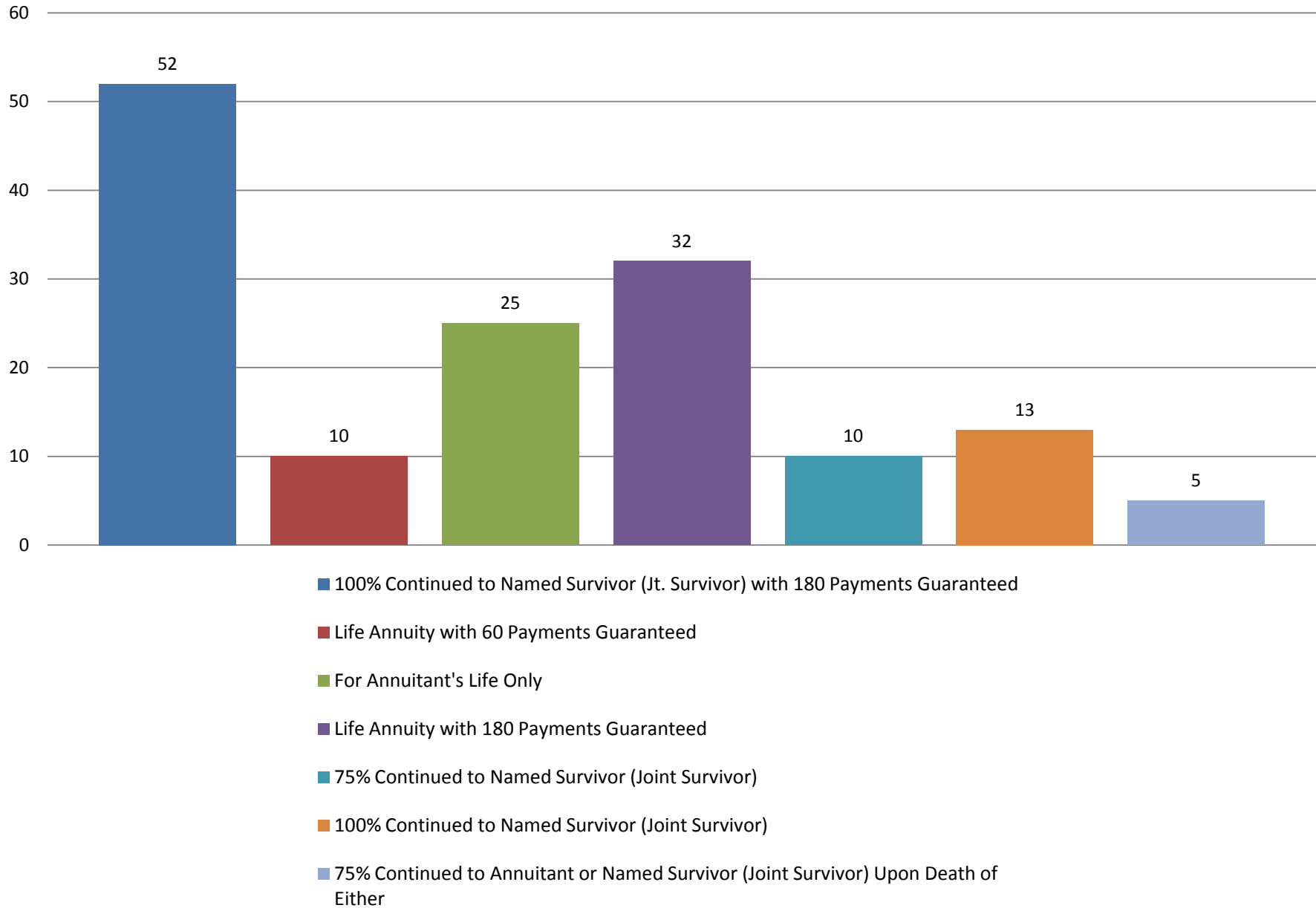


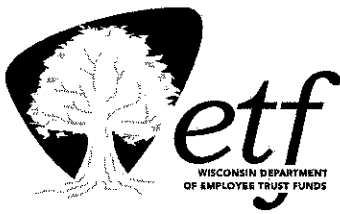
2011 Teachers Retirement Board Disability Annuities Started by Option Type



- 100% Continued to Named Survivor (Jt. Survivor) with 180 Payments Guaranteed
- Life Annuity with 60 Payments Guaranteed
- For Annuitant's Life Only
- Life Annuity with 180 Payments Guaranteed
- 75% Continued to Named Survivor (Joint Survivor)
- 100% Continued to Named Survivor (Joint Survivor)
- 75% Continued to Annuitant or Named Survivor (Joint Survivor) Upon Death of Either

2011 Wisconsin Retirement Board Disability Annuities Started by Option Type





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CORRESPONDENCE MEMORANDUM

DATE: February 8, 2012
TO: Teachers Retirement Board
Wisconsin Retirement Board
FROM: Lisa Ellinger, Administrator
Division of Insurance Services
SUBJECT: October - December 2011 Quarterly Disability Annuity Statistics

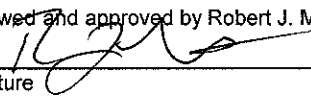
This memo is for informational purposes only. No Board action is required.

Attached is the Wisconsin Retirement System (WRS) *Disability Benefit Annuity Statistical Report* for October through December 2011. The report provides quarterly data on number of annuities started, options selected, gender, determination, age, and disability type.

TRENDS

The trends, when compared to the same quarter over the past five years, are as follows:

- The number of new disability annuities under the Teachers Retirement (TR) Board is higher. The TR Board had 17 under its jurisdiction, compared to an average of 14. The number of new disability annuities under the Wisconsin Retirement (WR) Board was higher, with 45 under its jurisdiction, compared to an average of 37.8.
- The most selected annuity options under TR and WR jurisdiction were "100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed".
- For TR and WR, females continue to be the predominant user of the \$40.63 Disability Retirement Annuity Benefit.
- The majority of TR and WR applications are approved; less than 1% are denied.
- The predominant age group for TR is 56-60 and WR is 51-55.
- The prevalent disability types for TR annuities for this quarter in the last five years are: neurology, mental illness, and cancer. For WR annuities, the prevalent disability types are: neurology, orthopedic, and cancer.

Reviewed and approved by Robert J. Marchant, Deputy Secretary

Signature _____ Date 2-21-12

Board	Mtg Date	Item #
WR	3.8.12	5A
TR		1

October - December 2011 Quarterly

Disability Annuity Statistics

February 8, 2012

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PRIORITIES

The top priority for the Disability Programs Bureau is to review disability applications for approval as quickly as possible so individuals are not without income. Reviewing a disability application for approval requires extensive follow-up with the applicant, employer, and healthcare 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 the necessary medical and income information, which also requires extensive communication with outside sources.

We would appreciate any feedback for improving this report. Please contact me at (608) 264-6627 or lisa.ellinger@etf.state.wi.us if you have comments or questions.

Attachment: Disability Benefit Annuity Statistical Report

**STATE OF WISCONSIN
DEPARTMENT OF EMPLOYEE TRUST FUNDS**

**WISCONSIN RETIREMENT SYSTEM (WRS)
DISABILITY BENEFIT ANNUITY STATISTICAL REPORT
OCTOBER - DECEMBER 2011**

This report provides a summary of disability information for the Board's review. Department staff have reviewed and made the following recommendations on initial disability applications submitted by participants. Staff review individual participant applications on an ongoing basis to determine if disability benefits can continue. If you have questions or would like additional information regarding disability benefits, please contact Diane Poole at (608) 266-5387 or diane.poole@etf.state.wi.us.

The following key describes the type of disability determinations made by ETF staff:

Approved – Disability applications that meet the service, medical and employer criteria required under Wis. Stat. § 40.63 (1) and (4), are approved and processed for benefit payments.

Cancelled – Disability applications that are incomplete within one year after the Department receives the disability application are cancelled. Applications are considered incomplete if the Department has not received the required medical certification and/or employer statement.

Deemed Approved – Disability applications are deemed approved if the applicant meets the service requirement and the Department receives a valid disability application and one *Medical Report* certifying the applicant's disability prior to the applicant's death. The employer is also required to submit an Employer Statement.

Denial – Disability applications are denied if the applicant does not meet all of the statutory requirements (service, medical and employer statement).

Denial Rescinded: Approved – Disability applications that were initially denied because the applicant did not meet the statutory requirements. The denial has since been overturned and the application approved due to receipt of additional information or as determined by the appropriate Board.

Termed – Disability applications that were initially approved and benefit payments made may be terminated if the Department receives information from a physician certifying that the individual no longer meets the medical definition for a disability or the individual does not comply with requests for medical or financial information.

Termed Rescinded: Approved – Disability applications that were initially approved, but the annual medical recertification was completed indicating that the individual was no longer disabled or the individual did not comply with medical or financial requests. The termination may be rescinded upon receipt of a certifying medical report, financial information, or based on an appeal determination.

Withdrawn/Void/Invalid – Disability applications are withdrawn at the request of the applicant. This occurs most often when an applicant returns to active employment and no longer meets the statutory requirements for a disability benefit.

§ 40.63 Waiver – Disability application is submitted and there is a Long-Term Disability Insurance (LTDI) election form that waives all rights to benefits under Wisconsin statutes § 40.63 for a WRS disability retirement benefit.

WRS DISABILITY BENEFITS				
	Oct	Nov	Dec	Total
Disability Estimates Requested	75	45	39	159
Disability Estimates Completed	68	49	43	160
	Oct	Nov	Dec	Total
Disability Annuities Started (on payroll)				
Teachers Retirement Board § 40.63	7	8	2	17
Wisconsin Retirement Board § 40.63	15	12	18	45
§ 40.65 Duty Disability (WR Board)	1	0	3	4
Total Annuities Started	23	20	23	66

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DEPARTMENT OF EMPLOYEE TRUST FUNDS

WISCONSIN RETIREMENT SYSTEM (WRS)
DISABILITY BENEFIT ANNUITY STATISTICAL REPORT
OCTOBER - DECEMBER 2011

TEACHERS BOARD DISABILITY ANNUITIES STARTED BY OPTION SELECTED				
Option	Oct	Nov	Dec	Total
100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed	2	3	0	5
Life Annuity with 60 Payments Guaranteed For Annuitant's Life Only	0	0	0	0
Life Annuity with 180 Payments Guaranteed	2	1	0	3
75% Continued to Named Survivor (Joint Survivor)	0	2	2	4
100% Continued to Named Survivor (Joint Survivor)	1	0	0	1
75% Continued to Annuitant or Named Survivor (Joint Survivor) Upon Death of Either	2	2	0	4
	0	0	0	0
TOTAL	7	8	2	17

TEACHERS BOARD DISABILITY ANNUITIES STARTED BY GENDER					
§ 40.63 Disability Benefits by Gender	% Pop.*	Oct	Nov	Dec	% of Total
Females	68%	6	8	2	94%
Males	32%	1	0	0	6%
TOTAL	100%	7	8	2	100%

*Active and inactive Teacher's Retirement Board population as of 12/31/10 for 2011

TEACHERS BOARD DISABILITY STATISTICS FOR APPLICATIONS SUBMITTED

TEACHERS BOARD DISABILITY APPLICATIONS SUBMITTED BY DETERMINATION				
Type of Determination	Oct	Nov	Dec	Total
Approved	7	3	6	16
Cancelled	1	0	0	1
Deemed Approved	0	0	0	0
Denial	1	0	0	1
Denial Rescinded: Approved	0	0	0	0
Termed	0	0	0	0
Termed Rescinded: Approved	0	0	0	0
Void/Withdrawn/Invalid	0	0	0	0
§ 40.63 Waiver	0	0	0	0
TOTAL	9	3	6	18

TEACHERS BOARD DISABILITY APPLICATIONS SUBMITTED BY AGE				
§ 40.63 Disability Benefits by Age	Oct	Nov	Dec	Total
20-25	0	0	0	0
26-30	0	0	0	0
31-35	0	0	0	0
36-40	0	0	0	0
41-45	1	0	0	1
46-50	2	1	0	3
51-55	0	1	3	4
56-60	3	1	3	7
61-65	3	0	0	3
TOTAL	9	3	6	18

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WISCONSIN RETIREMENT SYSTEM (WRS)
DISABILITY BENEFIT ANNUITY STATISTICAL REPORT
OCTOBER - DECEMBER 2011

TEACHERS BOARD DISABILITY APPLICATIONS SUBMITTED BY DISABILITY TYPE				
Disability Type	Oct	Nov	Dec	Total
Brain Injury	0	0	0	0
Cancer	0	0	1	1
Cardiovascular	0	0	0	0
Chronic Fatigue	0	0	0	0
Diabetes	0	0	0	0
Eye Disorders	0	0	0	0
Gastro/Intestinal	0	0	1	1
Hearing Disorder	0	0	0	0
Mental Illness	0	1	2	3
Multiple Medical Problems	4	0	1	5
Multiple Sclerosis	0	1	0	1
Muscle/Tissue	0	0	0	0
Nephrology	0	0	1	1
Neurology	4	1	0	5
Orthopedic	1	0	0	1
Other	0	0	0	0
Reflex Sympathetic Dystrophy (RSD)	0	0	0	0
Respiratory	0	0	0	0
Unknown	0	0	0	0
TOTAL	9	3	6	18

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WISCONSIN RETIREMENT SYSTEM (WRS)
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WI RETIREMENT BOARD DISABILITY ANNUITIES STARTED BY OPTION SELECTED				
Option	Oct	Nov	Dec	Total
100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed	9	2	6	17
Life Annuity with 60 Payments Guaranteed For Annuitant's Life Only	1	1	2	4
Life Annuity with 180 Payments Guaranteed	1	3	2	6
75% Continued to Named Survivor (Joint Survivor)	2	6	3	11
100% Continued to Named Survivor (Joint Survivor)	2	0	0	2
75% Continued to Annuitant or Named Survivor (Joint Survivor) Upon Death of Either	0	0	5	5
TOTAL	15	12	18	45

WI RETIREMENT BOARD DISABILITY ANNUITIES STARTED BY GENDER					
§ 40.63 Disability Benefits by Gender	% Pop.*	Oct	Nov	Dec	% of Total
Females	62%	10	5	9	53%
Males	38%	5	7	9	47%
TOTAL	100%	15	12	18	100%

* Active and inactive WR population as of 12/31/2010 for 2011

WI RETIREMENT BOARD DISABILITY STATISTICS FOR APPLICATIONS SUBMITTED

WI RETIREMENT BOARD DISABILITY APPLICATIONS SUBMITTED BY DETERMINATION				
Type of Determination	Oct	Nov	Dec	Total
Approved	12	13	19	44
Cancelled	1	0	0	1
Deemed Approved	0	0	0	0
Denial	0	1	0	1
Denial Rescinded: Approved	0	0	0	0
Other	0	0	0	0
Termed	0	0	0	0
Term. Rescinded: Approved	0	0	0	0
Void/Withdrawn/Invalid	1	0	0	1
§ 40.63 Waiver	0	0	0	0
TOTAL	14	14	19	47

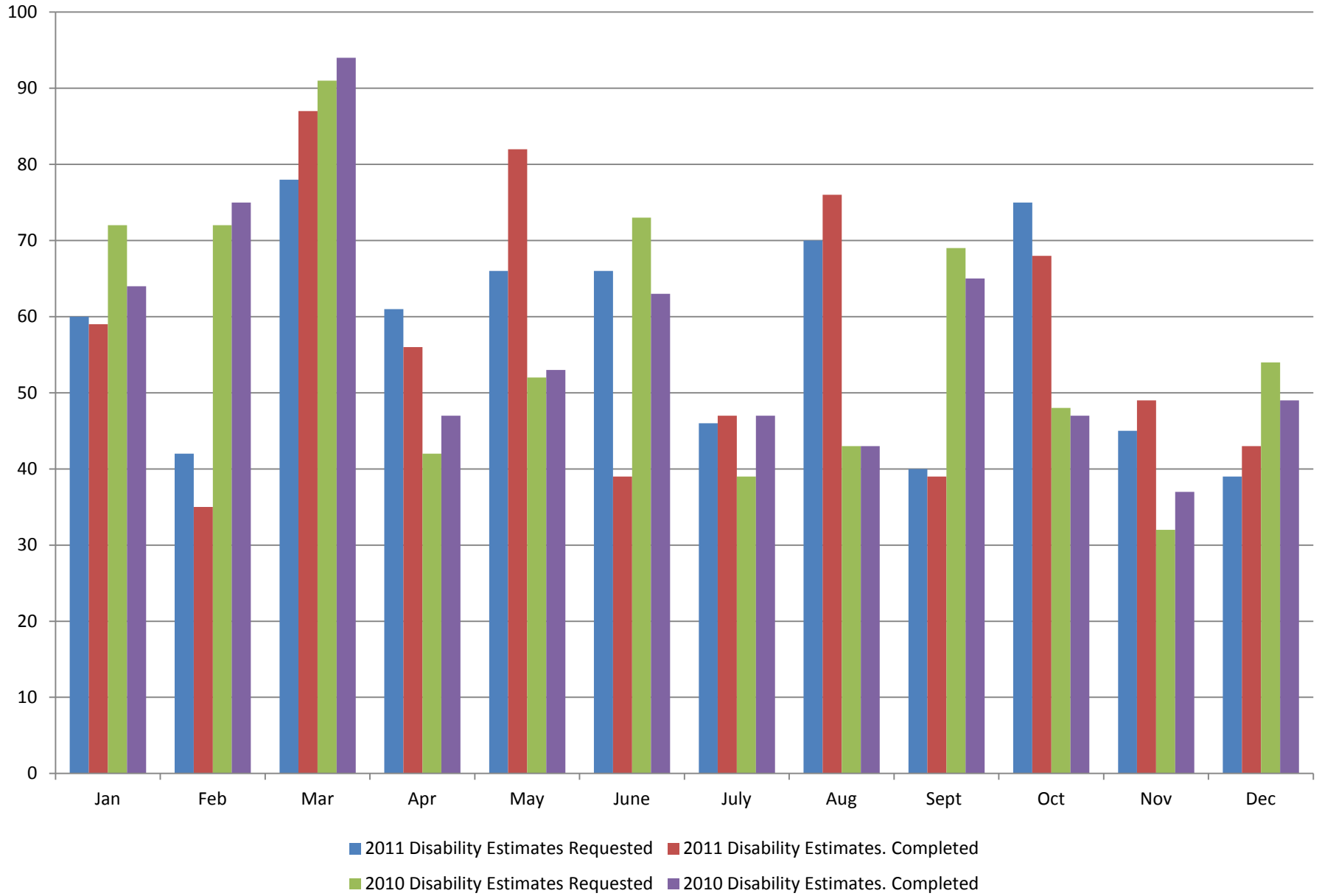
WI RETIREMENT BOARD DISABILITY APPLICATIONS SUBMITTED BY AGE				
§ 40.63 Disability Benefits by Age	Oct	Nov	Dec	Total
20-25	0	0	0	0
26-30	0	0	0	0
31-35	0	0	0	0
36-40	0	0	0	0
41-45	0	1	1	2
46-50	2	3	3	8
51-55	6	7	6	19
56-60	3	2	9	14
61-65	3	1	0	4
TOTAL	14	14	19	47

STATE OF WISCONSIN
DEPARTMENT OF EMPLOYEE TRUST FUNDS

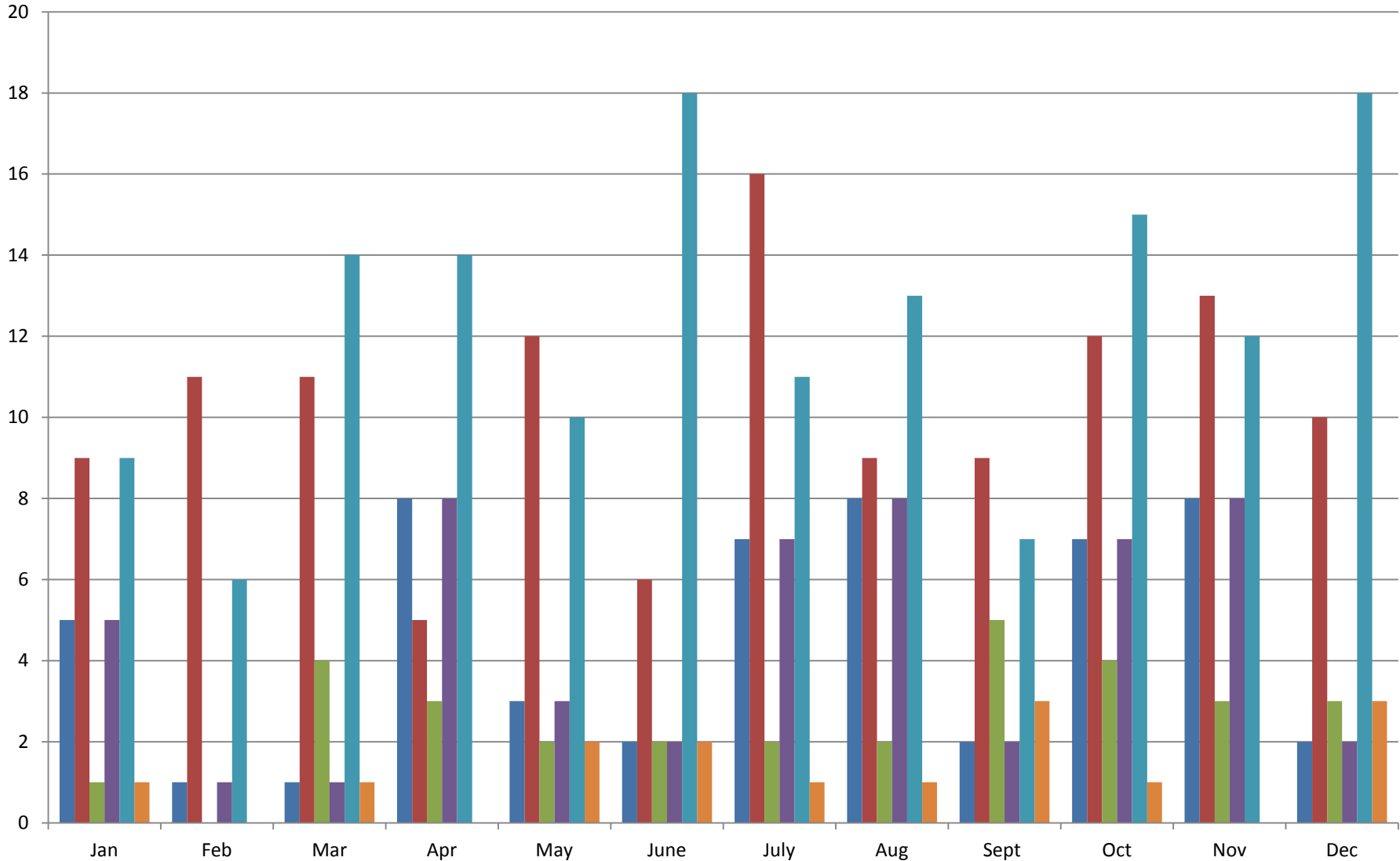
WISCONSIN RETIREMENT SYSTEM (WRS)
DISABILITY BENEFIT ANNUITY STATISTICAL REPORT
OCTOBER - DECEMBER 2011

WI RETIREMENT BOARD DISABILITY DETERMINATIONS				
Disability Type	Oct	Nov	Dec	Total
Brain Injury	0	0	0	0
Cancer	2	1	2	5
Cardiovascular	1	0	2	3
Chemical Dependency	0	0	0	0
Diabetes	1	0	0	1
Eye Disorders	0	1	0	1
Gastro/Intestinal	0	0	0	0
Hearing Disorders	0	0	0	0
Mental Illness	1	1	0	2
Multiple Medical Problems	2	1	4	7
Multiple Sclerosis	0	0	0	0
Muscle/Tissue	2	1	0	3
Nephrology	1	1	0	2
Neurology	2	2	7	11
Orthopedic	1	6	3	10
Other	1	0	0	1
Reflex Sympathetic Dystrophy (RSD)	0	0	0	0
Respiratory	0	0	1	1
Unknown	0	0	0	0
TOTAL	14	14	19	47

2011 v. 2010 Disability Estimates Requested & Completed



Disability Annuities Started 2011 v. 2010



■ 2010 Teachers Retirement Board § 40.63
 ■ 2010 Wisconsin Retirement Board § 40.63
 ■ 2010 § 40.65 Duty Disability
■ 2011 Teachers Retirement Board § 40.63
 ■ 2011 Wisconsin Retirement Board § 40.63
 ■ 2011 § 40.65 Duty Disability