

Wisconsin Retirement System
(WRS)


Board Member Orientation
Disability Programs

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Disability Programs Overview

- Income Continuation Insurance (ICI)
 - (40.61, 40.62 and ETF Admin. Code 50.10)
- Disability Retirement Benefits
 - (40.63 and ETF Admin. Code 50 Sub.ch. II)
- Long-Term Disability Insurance (LTDI)
 - (ETF Admin. Code 50.Sub.ch.III)
- Duty Disability Benefits
 - (40.65 and ETF Admin. Code 52)



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Income Continuation Insurance (ICI)

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Income Continuation Insurance (ICI)

Income replacement
for disabilities
considered short term
and those lasting for
extended periods

ETF and the WI Group
Insurance Board have
authority for program
administration and
oversight

Administered by a
Third Party

Financed by employer
and employee premiums

- Premiums based on
employee's prior year
WRS reported earnings

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Income Continuation Insurance (ICI)

Voluntary Enrollment

- All State employees
- Local employees (if employer participates)

Open enrollment at:

- Hire, attainment of premium plateaus (UW/State only), or evidence of insurability

Monthly Benefit

- 75% of basic salary (Maximum \$4,000)

Will not duplicate other benefits

- Social Security, Worker's Compensation, Unemployment compensation, other WRS benefits, etc.

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Disability Retirement and Long Term Disability Insurance

(40.63 and LTDI)

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Disability Retirement (§40.63)

- Available to all WRS employees continuously employed on or before October 16, 1992
- Benefit available until Normal Retirement Age (NRA)
 - Varies by employment category
- Must be totally disabled by a physical or mental impairment expected to be of an indefinite duration
 - Medical certification required

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Long Term Disability Insurance (LTDI)

- Available to all WRS employees employed on or after October 16, 1992
- Payable to age 65
 - Exceptions based on age at application
- Must be totally disabled by a mental or physical impairment, expected to be of an indefinite duration
 - Medical certification required
- Administered by a third party

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Comparison: 40.63 vs LTDI

40.63

- Retirement Benefit
- Service Requirement: **.50** year in 5 of 7 years
- Calculation: Retirement formula calculation that includes *assumed service*
- No offsets
- Death Benefit based on payment option selection
- Taxable (federal/state) (exclusions may apply)

LTDI

- Insurance Benefit
- Service Requirement: **.33** year in 5 of 7 years
- Calculation: 40% (or 50%) of final average monthly earnings
- Offsets apply
- No Death Benefit
- 100% Taxable (federal/state)

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Duty Disability and Survivor Benefits

(40.65)

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Duty Disability (§40.65)

- Available to all WRS protective occupation participants (police, fire fighters, correctional officers)
- Funded by the employer only
- Individual must be permanently disabled:
 - Must be from work-related injury or disease resulting in inability to work full protective duty position



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Duty Disability (§40.65)

- Other income sources will offset benefits
 - SSA, WRS, Unemployment, Workers Compensation, other employment earnings
- Benefit is a % of monthly salary (75% to 80% max)
- Employer Certification required
- Medical certification required, no re-certification
- Non-taxable benefit
- Death benefits vary – based on law in effect on qualification date

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