



STATE OF WISCONSIN  
Department of Employee Trust Funds

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**CORRESPONDENCE MEMORANDUM**

**DATE:** December 3, 2003  
**TO:** Wisconsin Retirement Board  
Teacher Retirement Board  
**FROM:** Audrey Koehn, Director  
Disability Programs Bureau  
**SUBJECT:** Review of §40.63 Disability Retirement Application Determinations

At the request of the Teachers Retirement Board, the Department has conducted a review of disability retirement application decisions for calendar years 2000-2002. The purpose of this review was to determine if female applicants were denied benefits significantly more often than male applicants. The Department has concluded that there is enough difference between the number of female and male denials to warrant further review over the next few years.

BACKGROUND

An applicant for WRS disability annuity benefits must be a participating WRS employee and meet the statutory requirements to be approved for benefits. These include:

- Have at least five years or creditable service in five of the last seven calendar years. If the service requirement is not met, the disability must be work-related and the disability application received within two years of the last day worked.
  - Not be entitled to any further earnings from the employer
  - Not be expected to resume active service.
- Two licensed and practicing physicians approved or appointed by the Department must certify that the applicant is unable to engage in substantial gainful activity as defined by law, and that the disability is likely to be of long term and indefinite duration or to result in death.
- The employer must not dispute approval of the benefit (that the disability led to the end of their employment).

FINDINGS

The graphs on the attached page illustrate the 2000-2002 data reviewed for this analysis. A total of 1,278 disability application determinations from 717 women and 561 men were reviewed. The data reflect the following:

- 1) Women comprise approximately 61% of the WRS population.
- 2) Women have filed more applications for disability retirement benefits than men. Women filed 56% (717) of the 1,278 disability benefit applications considered.

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

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- 3) The Department denied 6.2% (79 out of 1,278) of the disability benefit applications received. The denial rate for female applicants was 7.3% versus 4.9% for male applicants.
- 4) Nearly 37% (29 of 79) of the Department's disability benefit application denial determinations were appealed to a Board. Slightly over 72% of those appealing (21 of 29) the Department's denial decisions were women. An insufficient number of appeals were resolved during 2000-2002 to develop percentages for Board decisions (see chart labeled "Appeal Decision Actions" at the bottom of the next page).
- 5) There was no discernible pattern for the reason for denied appeals. The primary reason for denial of disability benefits was the lack of medical certification of the disability from physicians. The second most common denial reason was that the employer disputed the approval of the benefit.

Teaching Members

18 denied applications

8 appeals filed

Females filed 7 appeals

Non-Teaching Members

61 denied applications

21 appeals filed

Females filed 14 appeals

CONCLUSIONS AND FOLLOW-UP

Based on data from 2000-2002, the Department has identified several factors that may contribute to a higher denial rate for females applying for disability benefits.

Some potential explanations are as follows:

- Females may seek medical care earlier and more frequently for their condition; whereas males wait until the condition is farther advanced before seeking medical care. Therefore, in some instances, females may be applying for benefits before their conditions have progressed to where they meet the statutory definition of disability.
- The diagnosis and treatment of many disabling conditions are handled differently for males versus females by many physicians. One example is in the amount of medical documentation often present in the records concerning the diagnosis and treatment of cardiovascular conditions in males versus females.
- Some females may place greater emphasis on personal matters outside of the job (family, home, etc.), so when their health issues make their jobs more difficult to perform, they may terminate employment while they can still manage outside concerns. Some males may place more emphasis on their employment and may stay on a job until it is impossible to perform.

The Department will continue to monitor the rate of denials in the next few years and plan to provide a periodic summary of information to the retirement boards.