



STATE OF WISCONSIN
Department of Employee Trust Funds
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CORRESPONDENCE MEMORANDUM

DATE: June 21, 2007
TO: Teachers Retirement Board
Wisconsin Retirement Board
FROM: Deb Roemer, Policy Analyst
Disability Programs Bureau
SUBJECT: January 2007 – March 2007 Quarterly Disability Annuity Statistics

Attached is the Wisconsin Retirement System (WRS) *Disability Benefit Annuity Statistical Report* for January through March 2007. The report provides quarterly data on: Number of Annuities Started, Options Selected, Gender, Determination, Age, and Disability Type.

TRENDS

There is little change in trends for this quarter as compared to the same quarter in the past five years. The number of new disability annuities varies little. The most commonly selected annuity option 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. The majority of applications are approved and only a very small number are denied. The predominant age group is 51-55. The prevalent disability types for the Teachers Retirement Board for this quarter in the last five years are: Cancer, Mental Illness, and Orthopedic. For the Wisconsin Retirement Board the prevalent disability types are: Orthopedic, Neurology, and Cancer.

DISABILITY PROGRAMS BUREAU WORKLOAD

Staffing

The Disability Programs Bureau is currently staffed by 3.25 Trust Fund Specialists and 2.5 Policy Analysts. One of the Policy Analysts started employment with the Bureau on March 26, 2007. The Trust Fund Specialists are responsible for the §40.63 and §40.65 programs. Three new Trust Fund Specialists were hired at the beginning of 2006, one has since left. This means 62% of our Trust Funds Specialists are still in training. The two experienced Trust Funds Specialists are part-time. We have one vacant Trust Fund Specialist position, which we hope to fill soon. It takes approximately 1-1/2 years for a Trust Fund Specialist to be fully trained in the complex disability programs.

Board	Mtg Date	Item #
TR	06/21/07	6
WR	06/21/07	2

Backlog

The statutorily required review of tax returns for the §40.65 program continues to be backlogged by three years. Unfortunately, this delays the discovery of §40.65 overpayments. The result is that by the time a participant is notified of an overpayment, it could have grown to a large amount and repayment could be a financial burden to the participant. Extra hours have been authorized for part-time staff and limited term employees since 1999 with no significant impact on the backlog.

PRIORITIES

The main 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 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.

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

**WISCONSIN RETIREMENT SYSTEM (WRS)
DISABILITY BENEFIT ANNUITY STATISTICAL REPORT
January - March 2007**

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 §40.63 (1) and (4), Wis. Stats., 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				
	Jan	Feb	Mar	Total
Disability Estimates Requested	59	74	82	215
Disability Estimates Completed	59	83	69	211
Disability Annuities Started (on payroll)				
Teachers Retirement Board §. 40.63	3	4	4	11
Wisconsin Retirement Board §. 40.63	13	9	19	41
§. 40.65 Duty Disability (WR Board)	5	1	2	8
Total Annuities Started	21	14	25	60

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**WISCONSIN RETIREMENT SYSTEM (WRS)
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TEACHERS BOARD DISABILITY ANNUITIES STARTED BY OPTION SELECTED				
Option	Jan	Feb	Mar	Total
12 100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed	2	2	1	5
17 Life Annuity with 60 Payments Guaranteed	0	1	1	2
24 For Annuitant's Life Only	0	0	1	1
25 Life Annuity with 180 Payments Guaranteed	0	0	0	0
26 75% Continued to Named Survivor (Joint Survivor)	1	1	1	3
27 100% Continued to Named Survivor (Joint Survivor)	0	0	0	0
28 75% Continued to Annuitant or Named Survivor (Joint Survivor) Upon Death of Either	0	0	0	0
TOTAL	3	4	4	11

TEACHERS BOARD DISABILITY ANNUITIES STARTED BY GENDER					
§. 40.63 Disability Benefits by Gender	% Pop.*	Jan	Feb	Mar	% of Total
Females	67%	1	4	4	82%
Males	33%	2	0	0	18%
TOTAL	100%	3	4	4	100%

*Active and inactive Teacher's Retirement population as of 12/31/05 for 2006

TEACHERS BOARD DISABILITY STATISTICS FOR APPLICATIONS SUBMITTED

TEACHERS BOARD DISABILITY APPLICATIONS SUBMITTED BY DETERMINATION				
Type of Determination	Jan	Feb	Mar	Total
Approved	4	6	12	22
Cancelled	0	2	0	2
Deemed Approved	0	0	0	0
Denial	1	1	0	2
Denial Rescinded: Approved	0	0	0	0
Termed	0	0	0	0
Termed Rescinded: Approved	0	0	0	0
Void/Withdrawn/Invalid	0	0	1	1
§. 40.63 Waiver	0	0	0	0
TOTAL	5	9	13	27

TEACHERS BOARD DISABILITY APPLICATIONS SUBMITTED BY AGE				
§. 40.63 Disability Benefits by Age	Jan	Feb	Mar	Total
31-35	0	0	0	0
36-40	1	0	1	2
41-45	0	0	0	0
46-50	0	0	0	0
51-55	3	7	7	17
56-60	0	0	4	4
61-65	1	2	1	4
TOTAL	5	9	13	27

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DEPARTMENT OF EMPLOYEE TRUST FUNDS**

**WISCONSIN RETIREMENT SYSTEM (WRS)
DISABILITY BENEFIT ANNUITY STATISTICAL REPORT
January - March 2007**

TEACHERS BOARD DISABILITY APPLICATIONS SUBMITTED BY DISABILITY TYPE				
Disability Type	Jan	Feb	Mar	Total
Brain Injury	0	0	0	0
Cancer	2	2	2	6
Cardiovascular	2	1	0	3
Chronic Fatigue	0	0	0	0
Diabetes	0	0	0	0
Eye Disorders	0	0	0	0
Gastro/Intestinal	0	0	1	1
Mental Illness	0	2	2	4
Multiple Medical Problems	0	0	3	3
Multiple Sclerosis	0	0	0	0
Muscle/Tissue	0	1	0	1
Nephrology	1	1	0	2
Neurology	0	0	2	2
Orthopedic	0	1	2	3
Other	0	0	0	0
Reflex Sympathetic Dystrophy (RSD)	0	0	0	0
Respiratory	0	1	0	1
Unknown	0	0	1	1
TOTAL	5	9	13	27

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WI RETIREMENT BOARD DISABILITY ANNUITIES STARTED BY OPTION SELECTED				
Option	Jan	Feb	Mar	Total
12 100% Continued to Named Survivor (Joint Survivor) with 180 Payments Guaranteed	7	3	3	13
17 Life Annuity with 60 Payments Guaranteed	1	3	1	5
24 For Annuitant's Life Only	1	1	1	3
25 Life Annuity with 180 Payments Guaranteed	1	1	11	13
26 75% Continued to Named Survivor (Joint Survivor)	2	0	1	3
27 100% Continued to Named Survivor (Joint Survivor)	1	1	2	4
28 75% Continued to Annuitant or Named Survivor (Joint Survivor) Upon Death of Either	0	0	0	0
TOTAL	13	9	19	41

WI RETIREMENT BOARD DISABILITY ANNUITIES STARTED BY GENDER					
§. 40.63 Disability Benefits by Gender	% Pop.*	Jan	Feb	Mar	% of Total
Females	62%	7	3	12	54%
Males	38%	6	6	7	46%
TOTAL	100%	13	9	19	100%

* Active and inactive WR population as of 12/31/2005 for 2006

WI RETIREMENT BOARD DISABILITY STATISTICS FOR APPLICATIONS SUBMITTED

WI RETIREMENT BOARD DISABILITY APPLICATIONS SUBMITTED BY DETERMINATION				
Type of Determination	Jan	Feb	Mar	Total
Approved	16	13	14	43
Cancelled	1	4	2	7
Deemed Approved	0	0	0	0
Denial	0	0	2	2
Denial Rescinded: Approved	1	0	0	1
Other	1	0	0	1
Termed	0	0	0	0
Term. Rescinded: Approved	0	0	0	0
Void/Withdrawn/Invalid	1	1	1	3
§. 40.63 Waiver	0	0	0	0
TOTAL	20	18	19	57

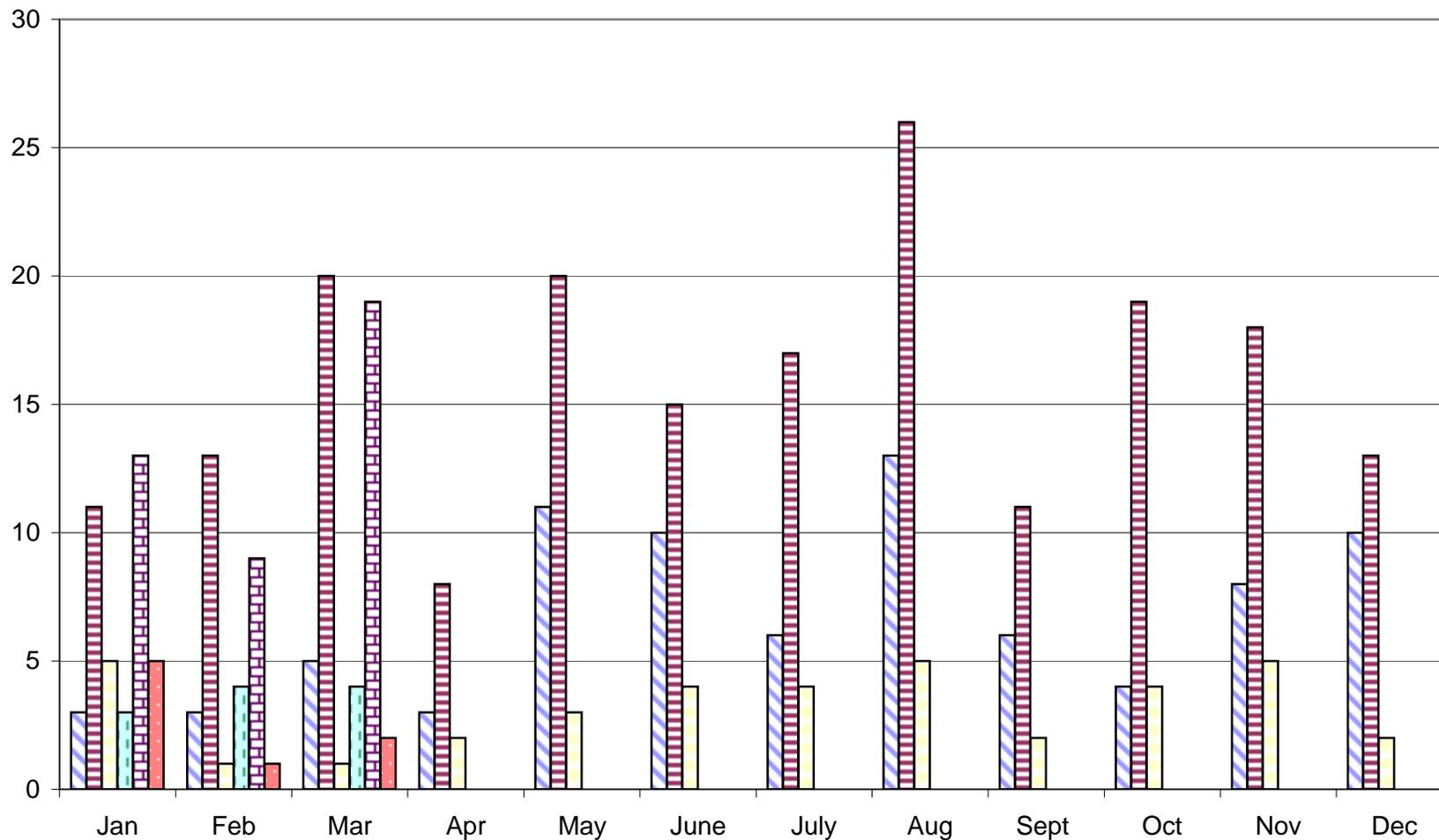
WI RETIREMENT BOARD DISABILITY APPLICATIONS SUBMITTED BY AGE				
§. 40.63 Disability Benefits by Age	Jan	Feb	Mar	Total
20-25	0	0	0	0
31-35	0	0	0	0
36-40	0	2	2	4
41-45	2	0	2	4
46-50	5	5	4	14
51-55	3	6	7	16
56-60	8	4	3	15
61-65	2	1	1	4
TOTAL	20	18	19	57

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WI RETIREMENT BOARD DISABILITY DETERMINATIONS				
Disability Type	Jan	Feb	Mar	Total
Brain Injury	0	0	1	1
Cancer	4	1	2	7
Cardiovascular	1	1	3	5
Chemical Dependency	0	0	0	0
Diabetes	0	0	0	0
Eye Disorders	0	1	0	1
Gastro/Intestinal	0	0	0	0
Hearing Disorders	0	0	0	0
Mental Illness	3	1	2	6
Multiple Medical Problems	1	2	1	4
Multiple Sclerosis	1	0	0	1
Muscle/Tissue	0	1	0	1
Nephrology	0	0	0	0
Neurology	3	6	1	10
Orthopedic	4	4	6	14
Other	1	0	0	1
Reflex Sympathetic Dystrophy (RSD)	0	0	0	0
Respiratory	2	1	1	4
Unknown	0	0	2	2
TOTAL	20	18	19	57

2006 v. 2007 Disability Annuities Started



- 2006 Teachers Retirement Board s. 40.63
- 2006 s. 40.65 Duty Disability
- 2007 Teachers Retirement Board s. 40.63
- 2007 s. 40.65 Duty Disability
- 2006 Wisconsin Retirement Board s. 40.63
- 2007 Wisconsin Retirement Board s. 40.63

2006 v. 2007 Disability Estimates Requested and Completed

