

THE DISABILITY PROCESS

1. The “Certification of Job Positions for Disabled Employees” form is completed by the City Parish Human Resources department (outside agencies will utilize their own Human Resources department). The completed form is submitted to the Retirement Office. A Retirement Counselor will contact the member to begin the disability application process.

2. Member completes a disability worksheet and has their attending physician complete the Physician Certification form, which is a statement from the physician that the member is totally and permanently disabled from performing their job.

3. Member submits the completed disability worksheet and Physician Certification on the date of disability retirement application. Member must be a contributing member of CPERS on the application date (receiving regular pay, paid leave, or repaying retirement contributions on non-contributed service) in order to apply for a disability retirement benefit. The Retirement Counselor will notify the member’s department of the disability retirement application.

4. CPERS submits the worksheet, Physician Certification, job description, and medical release form to the Retirement Board’s medical consultant. The Retirement Board’s medical consultant obtains and reviews the member’s medical records and prepares a report for presentation to the Retirement Board. The report contains a recommendation that the disability retirement be either approved or denied.

5. The Retirement Board reviews the medical consultant’s recommendation and votes to either approve or deny the disability. Should the Board vote to deny the disability retirement, the member has the right to appeal the decision by requesting an Evidentiary Hearing. The appeal must be filed with the Retirement Office within 30 days of the denial. At the hearing, the member can present any additional evidence of the disability for review by the Board and the medical consultant.

RETURN TO WORK

If a disability retiree’s condition improves and he/she wishes to return to work, he/she should contact the Retirement Office for referral to the Board’s medical consultant. The medical consultant will review medical records and order any tests deemed necessary to determine whether or not the retiree is fit for duty. If the retiree is determined to be fit for duty, and accepts a job position with a CPERS employer, the disability retirement is immediately terminated. The rehired member then resumes contributing membership and begins accumulating additional creditable service to add to the previous service. Should this member become disabled again, the entire disability process would start again.

IMPORTANT POINTS TO REMEMBER

- ◆ All Disability Retirees must annually submit a “Disability Earnings Statement Disclosure”. This addresses any possible offset of the Disability Benefit. The offset is due to earnings in excess of the difference in the disability benefit and the average compensation used to calculate the benefit.
- ◆ It is important to notify the Retirement Office when you receive a Workers Compensation (WC) settlement, whether in the form of a regular indemnity payment or a lump sum payment, so that the WC settlement funds are offset against the retirement benefit as mandated by law.
- ◆ A disability retirement application can only be accepted from a CPERS member who is currently contributing to CPERS as an active payrolled employee. In some WC cases, no retirement contributions are withheld, creating non-contributed service for the member. A disability retirement applicant in this situation would have to pay retirement contributions on the WC benefits or full salary for the period of non-contributed service up to the date of application.

Disability Retirement Benefit



City Parish Employees'
Retirement System
P.O. Box 1471 (70821)
209 St. Ferdinand Street
Baton Rouge, LA 70802
Phone: 225-389-3272 Fax: 225-389-5548
E-mail: retirement@brgov.com

Disability Retirement Benefit

The City-Parish Retirement Ordinances provide members with two disability retirement options; **ordinary** and **service-connected**. In order to submit a valid disability application; 1) you must be a contributing CPERS member on the application date, 2) your disabling condition must have occurred after your date of employment, and 3) your disabling condition must be total and permanent in nature.

ORDINARY DISABILITY

An Ordinary Disability retirement is available to CPERS members who have at least ten years of creditable service, and who become disabled as a result of a non work-related injury or illness. The benefit is calculated as two and one-half percent (2 ½%) of the member's average compensation for each year of service. The minimum benefit percentage is fifty percent (50%) of average compensation, and because there are no survivor benefits, the Ordinary Disability benefit ceases at the member's death.

Example:

Mr. Smith is age 43, has a total and permanently disabling illness, and can no longer perform the

duties of his present job. He has 10 years of service and his highest average compensation is \$2,000. His Ordinary Disability retirement benefit is computed as follows:

10 years X 2.5% = 25%. However, because the minimum percentage for Ordinary Disability is 50%, the monthly disability benefit amount in this case will be:

$$50\% \times \$2,000 = \$1,000$$

Ordinary Disability retirement benefits are fully taxable for federal income tax purposes, but are exempt from Louisiana state income tax.

SERVICE CONNECTED DISABILITY

A Service Connected Disability retirement is available to CPERS members that become disabled because of a job related injury or illness. Members are covered from the first day of employment and regardless of age. The member must prove the job related nature of the accident/injury, usually by submitting written records that document the date, time, and location of the accident/injury. Therefore, the member should report the accident/injury promptly and complete all necessary forms for submission to the Workers Compensation (WC) division. CPERS' ordinances require that a Service Connected Disability benefit be offset by WC benefits that are designated as recurring indemnity payments or lump sum settlements. This offset applies only to WC benefits payable for the same accident/injury that caused the Service Connected Disability. If and when WC benefit payments cease, the CPERS benefit becomes payable after all offsets have been collected.

The minimum Service Connected Disability benefit is calculated as fifty percent (50%) of the member's average compensation. If the member has more than 10 years of creditable service, a supplemental

amount is added, representing one and one-half percent (1½%) of the member's highest average compensation for each year of service in excess of 10 years.

A Service Connected Disability provides for a fifty percent (50%) surviving spouse benefit at no cost to the member for those members with a hire date prior to 9/1/15. For those members hired on or after 9/1/15 a 50% surviving spouse benefit may be purchased. A portion of the benefit, or in some cases the entire benefit, is exempt from federal income taxes under current federal law. For example, if a member has less than 10 years of service, he/she would be entitled to a fifty percent (50%) benefit, all of which would be exempt from federal income taxes. Having more than 10 years of service would subject the member to federal income tax liability on the supplemental portion exceeding the fifty percent (50%). All retirement benefits paid by CPERS are exempt from Louisiana state income taxes.

Example:

Mr. Smith is age 43, has a total and permanently disabling condition due to a job-related injury. He has 12 years of service and his highest average compensation is \$2,000. His Service Connected Disability retirement benefit is computed as follows:

Base Benefit:

$$50\% \times \$2,000 = \underline{\$1,000 \text{ (tax exempt)}}$$

Supplemental Allowance:

$$2 \text{ years } (12 - 10 \text{ years}) \times 1.5\% \times \$2,000 = \underline{\$60 \text{ (taxable)}}$$

Total Service-Connected Disability Monthly Benefit
\$1,060

Assuming the member was receiving monthly indemnity payments of \$800 from Workers Compensation, the amount paid by CPERS during the indemnity payment period would be:

$$\underline{\$1,060} - \$800 = \underline{\$260}$$