



State of Michigan  
Office of Retirement Services  
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# If You Become Disabled Your Disability Protection

a publication for members of the Michigan Public School Employees' Retirement System Defined Benefit Plan

## Disability Benefits

If you become ill or injured while you are an active employee of a participating Michigan public school, and you can no longer work, your retirement plan provides protection for you and your dependents.

## Pension Eligibility Criteria

To qualify for a disability retirement, you must meet all of the following conditions:

- You file an application with ORS within one year of the date of your termination from public school employment. If you have a nonduty disability (an injury or illness incurred outside of work), this filing deadline can be extended an additional 24 months if the retirement board determines that you have extenuating circumstances for not filing within one year. If more than 12 but less than 36 months have passed since your termination and you believe you can prove extenuating circumstances, substantiation for late filing must accompany your application. There is no extension for filing if you have a duty disability (an illness or injury incurred from duties at work).
- An independent medical advisor certifies that you are totally and permanently disabled. Totally disabled means you are unable to perform the duties of your position, or a similar position for which you are qualified by reason of training, experience, or both. Permanently disabled means the disability is likely to last your lifetime.
- You are *vested* with the equivalent of 10 years of full-time school employment for a nonduty disability. If you have a duty disability, a benefit could be payable regardless of how long you have been employed by the public school system. You must be receiving weekly workers' compensation benefits when you apply to be eligible for a duty disability benefit.
- You are not able to retire with a regular age and service pension. If you are a *Basic Plan* member (generally those hired by January 1, 1990) you qualify for a regular age and service pension at age 55 with 30 years of service. If you are in the *Member Investment Plan* (MIP), you need to be at

least 46 years old with 30 years of service to retire with a regular age and service pension. *Note:* In general, you earn one year of service when you work 1,020 hours in a school fiscal year.

## Your termination date.

In most cases your termination date is simply the date you and your employer ended your relationship. However, effective September 4, 2012, your termination date for retirement system purposes is the date two years after your employer last reported service credit for you, even in you are still on an approved leave of absence with your employer.

## Are You Eligible?

If you answer "yes" to all of the requirements listed in the chart below, you may be eligible for a disability retirement. You should read the entire contents of this brochure to fully understand your rights and options. If you answer "no" to any of the requirements, you are not eligible for a disability retirement.

## Eligibility Checklist

### Nonduty Disability

- ✓ My disability is total and permanent.
- ✓ It has been one year or less since I was terminated from public school employment.
- ✓ I am vested with the equivalent of 10 years of service with Michigan public schools.
- ✓ I am not able to retire with a full age and service pension.

### Duty Disability

- ✓ My illness or injury was incurred from duties at work.
- ✓ My disability is total and permanent.
- ✓ I am in receipt of weekly workers' compensation at the time of applying. Litigation and/or settlements do not qualify.
- ✓ It has been one year or less since I was terminated from public school employment.
- ✓ My disability occurred before I was terminated from school employment.



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The intent of this publication is to summarize basic plan provisions under Michigan's Public Act 300 of 1980, as amended. Current laws, rates, and factors are subject to change. Should there be discrepancies between this publication and the actual law, the provisions of the law govern. Published by State of Michigan, Department of Management and Budget, Office of Retirement Services.

This publication can be made available in alternative formats to meet the needs of our customers with visual or physical limitations. Please contact our office if you require this service.

## How Pensions Are Calculated

### Nonduty disability pension calculation.

A nonduty disability retirement benefit is calculated the same as a regular service retirement. For details on how your pension is calculated, go to our website and click on About Your Plan, then on Estimating Your Pension.

When you apply, you can choose the straight life option, which pays you the most money but does not provide any ongoing benefits to a beneficiary when you die. Or you can elect a survivor option, which pays you less but continues monthly pension payments to your beneficiary upon your death. For more information about your pension payment options, go to our website and click on Ready to Retire, Estimating Your Pension, then on Payment Options.

Estimate the monthly pension amount you might receive if your disability application is approved using miAccount.

### Duty disability pension calculation.

A duty disability retirement is calculated the same as a regular service retirement. For details on how your pension is calculated, go to our website and click on Ready to Retire, then on Estimating Your Pension.

We always credit at least 10 years of service to calculate a duty disability pension, even if you haven't worked for the public school system that long.

You are also able to choose a pension payment option. You can choose the straight life option, which pays you the most money but does not provide any ongoing benefits to a beneficiary when you die. Or you can elect a survivor option, which pays you less but continues monthly pension payments to your beneficiary upon your death. For more information about your pension payment options, go to our website and click on About Your Plan, Estimating Your Pension, then on Payment Options.

### Insurance eligibility.

**Personal Healthcare Fund.** If you have the Personal Healthcare Fund, you would not be eligible for subsidized health, prescription drug, dental, or vision insurances through the retirement system.

You, your spouse, and any eligible dependents may enroll in the retiree health plan if you enroll immediately if your disability application is approved, but you will be responsible for the entire premium. If you disenroll from the plan at any time, you, your spouse, and your dependents will not be able to re-enroll. If your spouse or your dependents are disenrolled from the plan at any time, they will not be able to re-enroll.

**Premium Subsidy Benefit.** If you are a member with the Premium Subsidy benefit and your disability application is approved, you will be eligible for subsidized group insurances, with the maximum subsidy allowed by law. If you chose a survivor option, your beneficiary and eligible dependents will also be eligible for insurance benefits upon your death.

## The Application Process

### File an application.

Your application for disability retirement must be received within one year from the date of your termination from public school employment. (You may get a 24 month extension if it's a nonduty disability and you are able to show extenuating circumstances.) Any application for disability retirement, regardless of when it's filed, must be for a condition that you incurred before your termination from public school employment.



Your first step to apply for a disability pension is to contact ORS and request a disability retirement packet. Along with an application form, the packet contains

detailed information about insurances and pension options, as well as the forms needed to process your application. You must sign the medical release forms that allow an independent medical advisor to obtain and review the medical records pertaining to the injury or illness that you believe prevents you from working. Once completed, send the forms to Disability Determination Services (DDS).

### The disability determination.

DDS is part of Michigan's Department of Health and Human Services. DDS assists ORS in the disability application process by collecting and validating forms, obtaining and reviewing medical documentation, and providing expertise in

determining medical eligibility to the Michigan Public School Employees Retirement Board.

DDS will ask the medical providers listed on your application to send your medical records directly to DDS for review. An independent medical advisor from DDS will review your medical records and, if necessary, schedule an exam for you with a medical professional. After the review of the medical records, DDS reports its findings to the retirement board.

### If your application is approved.

If DDS determines your medical condition meets the disability criteria, it will recommend to the retirement board that your application be approved. If the board agrees with the DDS evaluation, ORS will notify you of the approval. We will then process your application and insurance enrollments and you will receive your first pension payment four to six weeks after all required information is received. Your first payment will include any past due benefits as well.

Ask your human resource office about other programs you may be eligible for such as social security disability, workers' compensation, long-term disability insurance, and more.

If the board approves your disability retirement and you have not terminated your employment with your school yet, contact your human resource office immediately so your benefits are not delayed. If you do not terminate employment within 30 days of the board's decision, you may have to reapply.

### If your application is denied.

If DDS determines that your condition does not meet the medical requirements for a disability pension as defined in the retirement act, you will receive a denial letter. This letter will advise you of your appeal rights and the deadline for filing an appeal.

## What to Expect as a Disability Retiree

### Your pension payments.

Before your payments begin, we'll send you an award letter that tells you the amount of your pension payment and when you can expect your first payment. Pensions are issued on the 25th of each month.

The award letter will include a booklet that tells you what to expect in retirement including benefit statements, postretirement increases, insurance enrollments, and taxes. It will also tell you when and how to get in touch with ORS.

### Annual certifications.

As a disability retiree, every year until age 59 you'll receive an *Annual Disability Certification (R0089CG)* form that you must complete and return to ORS. This form verifies that you are still unable to work because of a disabling condition.

### Medical reexaminations.

The retirement board may require that you have a medical reexamination. If the reexam determines that you are capable of resuming employment and you are receiving a nonduty disability pension, your disability benefits may be stopped. As a duty disability retiree, if a reexam finds you are capable of resuming employment and you are restored to active service, your disability benefits will stop.

### If you return to work.

If you return to employment, there is a limit on how much you can earn without affecting your pension. As a disability retiree, you can be employed with the approval of the retirement system and you can earn up to the difference between your FAC and your annual pension without your pension being reduced. If you earn more than the limit, you will have to repay the excess amount to the retirement system (a dollar-for-dollar reduction in your pension). This limit applies until you reach the regular age and service pension requirements.

## Glossary of Terms

**Duty Disability:** An illness or injury incurred from duties at work.

**Nonduty Disability:** An injury or illness incurred outside of work.

**Basic Plan Members:** Generally those hired before January 1, 1990.

**Member Investment Plan (MIP) Members:** Generally those hired on or after January 1, 1990, but before July 1, 2010.

**Vesting:** You are vested—meaning you have sufficient service to qualify for a benefit though you may not yet meet the age requirement—when you have the equivalent of 10 years of full-time Michigan public school service.

**Years of service (YOS):** Your service reflects the years, or fractions of years, you have worked for a Michigan public school. In general, you earn one year of service when you work 1,020 hours in a school fiscal year.