DISCUSSION SHEET

Employees' Retirement Fund
Board of Trustees Meeting

December 13, 2016

Issue: Proposed Revisions to the ERF Rules of Practice and Procedure Regarding Disability Retirement

Attachment: Proposed Revisions to begin January 1, 2017

Discussion: Chapter 40A modifications were approved through the Proposition 1 ballot item that passed as of November 8, 2016. Impacts on the disability benefits provisions of that Chapter include changing the minimum disability retirement pension payable for a service disability to the greater of;

a. ~~$500~~ $1,000 a month, regardless of the date of retirement; or
b. the pension that would be payable if the member retired with 10 years of service.

In addition, staff has also reviewed the workflow of the current policies and procedures and the following suggestions are being made:

FILING OF DOCUMENTS

- Failure to provide the Fund with the requested documentation supporting the claim for disability benefits within ninety (90) days after first filing the application for disability benefits shall cause the application to be deemed withdrawn and, if the applicant then wishes to continue to pursue a claim, the applicant will have to file a new application.

- The Applicant has 10 business days to schedule an appointment with the independent medical or occupational specialist selected by the Fund. Otherwise, there may be a substantial delay in the Medical Committee's review and recommendation to the Board.

REVIEW PROCESS FOR DISABILITY CONTINUATION

- Generally, no medical re-examination will be required of disability retirees over sixty (60) years of age if;
- they are receiving no more than their earned pension; or
- the pension was computed under the ten (10) year minimum service rule; and the disability retiree has been receiving disability retirement benefits for at least *five* (5) years, and
- the Fund is not in receipt of any information from any third party

evidencing that the retiree is engaged in some meaningful employment activity.

The disability applicant must complete the entire medical review process which consists of:

a. Providing ERF a Request for Transcript of Tax Return (IRS form 4506 T). (The transcript shows most line items including the applicant's adjusted gross income (AGI) from their original tax return (Form 1040, 1040A or 1040EZ) as filed, along with any forms and schedules.)

b. Having their physician legibly complete the Fund's medical questionnaire with any required supporting attachments. (Applicants will be reimbursed for up to a maximum of ~~$35~~ $100 to defray the cost of the physician completing the form).

PROCEEDINGS FOR REVOCATION OR SUSPENSION OF BENEFITS

1. The Board may require any person receiving a disability benefit to appear before a Revocation hearing during a regular medical committee meeting and show cause why such benefit should not be discontinued or revoked.
2. The Board authorizes the Executive Director to suspend disability payments for failure to appear for a hearing or to provide continuing evidence of disability.
3. In the event the Board or Executive Director denies, or suspends disability payments, the applicant may within 30 days file a written request for reconsideration which, to be effective, must be accompanied by valid documentary evidence to support the applicant's position. Upon receipt of a valid request for reconsideration, the matter shall be heard by a subcommittee of the Board or if the Board in its sole discretion wishes by the full Board, at the next regularly scheduled meeting.
4. An applicant may be accompanied at the appeal by one person who may be either a family member, a medical professional or an attorney of their choosing. The decision on appeal shall be in writing, stating the reason for the denial and it shall be binding on all persons.

Recommendation: The Board approve the proposed revisions to the ERF Rules of Practice and Procedure regarding Disability Retirement with a January 1, 2017 implementation date.