

# DISABILITY COVERAGE



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## Introduction

A disabling injury or illness can happen unexpectedly to anyone at any time. If you become disabled during your career, you may be eligible to apply for disability benefits through TRA.

This coverage is available to you as a vested member with three (3) or more years of service credit at no additional cost beyond the statutorily required percent of salary contributions.

Any member who has fulfilled the minimum eligibility requirement may apply for a total and permanent disability benefit from TRA. Disability benefits are meant to provide an income if you should become totally and permanently disabled. The physical or mental impairment must preclude the member from engaging in any substantial gainful activity and be expected to last a minimum of one year.

To meet the three-year service credit requirement, you may have a combination of service among any of the Minnesota public retirement funds that are covered by Combined Service Annuity laws. You must apply for disability benefits with each fund in which you have allowable service.

The other Minnesota public pension funds include:

- » Minnesota State Retirement System (MSRS)
- » Public Employees Retirement Association (PERA)
- » St. Paul Teachers' Retirement Fund Association (SPTRFA)

## Eligibility

To be eligible for disability benefits, you must be actively working in a TRA-covered position or on an approved leave of absence at the time the disability occurs. The disability must be the primary reason for termination of your service as certified by your employer. If your service was previously terminated, at least two of the three required years of allowable service must have been performed after last becoming an active member. An application for disability benefits must be made within the 18-month period following termination of service due to your condition.

If you are placed on a medical leave of absence without pay, you may still be eligible for disability benefits. In fact, members frequently remain on a medical leave of absence without pay while receiving disability benefits. Often this is done so that you can continue to be covered by the group hospitalization program of your employer. You may also be eligible for other disability benefits offered through your employer and/or the Social Security Administration.

If your average salary is less than \$75 per month, you are not eligible to apply for disability benefits.



## Total and permanent disability

You must be totally and permanently disabled as determined by Minnesota law to receive disability benefits. Minnesota Statutes, section 354.05, subdivision 14, defines total and permanent disability as "the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be of long, continued and indefinite duration. An 'indefinite duration' is a period of at least one year."

Before submitting a disability application, you should consult with your personal physician, advanced practice registered nurse (APRN), chiropractor, or psychologist to conduct an examination and complete an evaluation that determines whether you are totally and permanently disabled as determined by Minnesota statute.

Two Medical Examination Reports must be submitted for review by TRA or our medical consultant. One report may be completed by a licensed physician, APRN, chiropractor, or psychologist, while the second report must be completed by a licensed physician. An evaluation and recommendation report will be submitted to the TRA executive director, who will then make the final decision on whether to grant benefits.

If you are granted a total and permanent disability benefit, regular medical examinations are required annually for each of the first five years following the beginning date of your disability and once every three years thereafter.

Disability benefits begin to accrue the day following the commencement of your disability, or following the last day for which salary is paid, whichever is later. However, the disability benefit will not begin to accrue more than six months before the date your Disability Benefit Application form is filed with TRA.

**An application for disability benefits must be made within 18 months following the termination of your service due to your condition.**

## Disability benefit application process

To apply for disability benefits, either

- » Sign in to your myTRA account and follow a step-by-step process.
- » Call TRA at 800-657-3669 or 651-296-2409 and request a disability estimate and disability application packet. You will receive your estimate and application packet in the mail.

The following forms must be completed and returned to our office:

### 1. Disability Benefit Application

Complete this application yourself. In the event you are unable to complete the application because of your condition, a person who is authorized to act on your behalf may complete the application for you. The completed application must be submitted to TRA within 18 months following termination of your teaching service.

### 2. Release of Medical Information

This form gives TRA the right to request medical information concerning your disability and must be submitted along with your application.

### 3. Medical Examination Report

There will be two examination forms in your disability packet. One report may be completed by a licensed physician, APRN, chiropractor, or psychologist, while the second report may only be completed by a licensed physician. Both reports must reference the same medical condition and be submitted before your application will be processed. It is your responsibility to make sure the completed forms are received in the TRA office.

### 4. Employer Certification of Service at Time of Disability

This form must be completed by the employer with whom you last performed TRA-covered service. It is your responsibility to give this form to your employer and to make sure it is completed and returned to our office.



## 5. Federal and State Tax Withholding Certificate

If you have not yet reached the TRA minimum retirement age, your disability income must be reported as ordinary income. If you are older than the TRA minimum retirement age, a portion of your disability income may be disbursed tax-free. If you are approved for disability benefits and you have not returned these forms, the default federal tax withholding of "Single with no adjustments" and the default Minnesota state tax withholding rate of 6.25% will be applied to your monthly annuity payment.

## 6. Direct Deposit Agreement

Your monthly payments can be made electronically. If you choose to have your monthly payments deposited directly into your account, the Direct Deposit Agreement form must be signed by you even though you have done so elsewhere on your application.

## Processing an application

When TRA receives your Disability Benefit Application and all of the appropriate documentation, we will process your application. If TRA requires additional independent medical examination reports, the TRA Board of Trustees may assume the cost of such medical services.

The TRA executive director will approve or deny your application for a total and permanent disability benefit.

If the TRA executive director denies your disability claim, you may petition the TRA Board of Trustees for a review of your disability claim. Your petition for review must be sent to the TRA executive director by mail and must be postmarked no later than 60 days after receipt of the notice of denial. Any additional medical evidence must be furnished at your expense.

If your disability benefit is approved by the TRA executive director, you can expect an initial payment retroactive to your established accrual date. Thereafter, regular monthly payments will be made during the first week of each month. Monthly payments will continue for as long as you are totally and permanently disabled as determined by Minnesota statute.

When you reach normal retirement age, or the five-year anniversary of the effective date of your disability benefit, whichever is later, you will automatically assume retirement status and you will have the right to elect a lifetime annuity plan that provides payment to a beneficiary.

## Election of an optional annuity

If you are married or have dependent children, your spouse or dependent children have automatic survivor protection while you are employed in a TRA-covered position or receiving a disability benefit.

We suggest you review your current beneficiary designation. Please contact TRA to request the appropriate beneficiary change form.

## Required medical examinations

After your disability benefit has been granted, regular medical examinations are required. A Medical Examination Report must be submitted by your examining physician, APRN, chiropractor, or psychologist annually for the first five years following the allowance of a disability benefit and once every three years thereafter.

If you refuse to submit to a medical examination as required, disability benefits from TRA could be discontinued and all rights to such disability benefits could be revoked by the TRA executive director.

Payment of the disability benefit will be terminated if the TRA executive director finds that you are no longer totally and permanently disabled.

If the TRA executive director terminates a disability benefit, you may petition the TRA Board of Trustees for a review of the disability benefit termination within 60 days.



## Partial reemployment

It is necessary to notify TRA if you become reemployed. If you resume employment and your salary plus your TRA disability benefit originally granted is less than the salary payable at the time you were disabled, the TRA executive director will continue your disability benefits for as long as your disabling condition continues.

Your total earned income including salary from partial employment plus the TRA disability benefit originally granted may not be greater than your salary at the time you became disabled or your disability benefits will be reduced.

If the character and extent of your employment, including part-time teaching service, indicates that you may no longer be totally and permanently disabled, a new medical evaluation will be required. If an examination indicates that you are no longer totally and permanently disabled, or that you are engaged in or are able to engage in substantial gainful activity, disability payments will cease.

## Workers' compensation

If your disability is related to a workers' compensation claim, it is important to notify TRA. Workers' compensation law requires that any workers' compensation payment you receive be reduced by the disability benefit from TRA. Contact the Minnesota Department of Labor and Industry's Workers' Compensation Division to request information regarding their policies.

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This document was created and provided to you by the Teachers Retirement Association. It serves as a summary of the applicable state statutes in effect as of the date this document was issued. In the event that there is a discrepancy between information in this document and the governing laws and policies, the laws and policies shall apply. Plan provisions are subject to change. No information in this document should be construed as tax, financial, or legal advice.

**This document can be made available in alternative formats to individuals with disabilities by calling 800-657-3669 or through the Minnesota Relay Service at 800-627-3529.**



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TRA provides retirement, disability, and survivor benefits to Minnesota's public educators assisting them in achieving future income security. TRA strives to provide benefits that attract and retain competent teachers who serve communities throughout the state, building a stronger education system. TRA is committed to safeguarding the financial integrity of the fund and takes pride in providing exceptional, innovative services.

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