



# **Disability Guide**

## **Division A**

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This document presents an overview of Metro disability benefits. It is intended for informational purposes only. If there is a difference between this overview and the official plan documents, the plan documents will govern. For more information, call your department Human Resources Coordinator or Metro Human Resources.

The eligibility guidelines and calculations in this guide describe Division A. If you are a member of Division B, please refer to the Disability Guide for Division B.

The Police and Fire pension plan includes: sworn police officers, persons in the ambulance division who are certified EMTs and paramedics and Fire employees in suppression, prevention, training and inspection. Also included in the Police and Fire plan are Correctional Officers and Park Rangers. All other employees are in the General Government pension plan. If you have questions about your plan participation, contact your department Human Resources Coordinator.

## General Information

<b>Facts about Your Disability Pension Benefits</b>	
Eligibility	<p>You are eligible to apply for a medical disability benefit once you have 10 years of credited service.</p> <p>If a disability is related to an in-line-of-duty (IOD) injury, there is no years of service requirement.</p>
Benefit	60% of your last 12 months of earnings
When Benefits Begin	<p>Benefits for medical disability begin once you have exhausted all sick time, vacation time, comp time and personal days that you have.</p> <p>Benefits for an in-line-of-duty (IOD) disability pension begin once you have exhausted all vacation time, comp time and personal days.</p>
Cost	Metro pays 100% of the cost of the disability pension plan. You make no contributions to the plan.

### **Eligibility**

In order to be eligible to take a medical disability pension, you must first have 10 years of credited service. If you are 65 years old, you may not apply for a disability pension.

Employees who work 20 or more hours per week may be eligible for an in-line-of-duty (IOD) disability.

### **Calculating Your Pension Benefit**

Medical disability benefits will not begin until you have exhausted, or run out, all of your sick leave, vacation leave and any other leave that you may have. Your disability pension will be effective the day after all your leave time is run out (you may not be lump sum paid for your time). If you are applying for an IOD disability, you must exhaust your vacation time. Any remaining sick leave will be “held” and applied as unused sick leave credit towards your future service pension. Disability benefits are calculated the same regardless of whether you are a member of the General Government or Police and Fire pension plan.

Disability benefits are calculated at 60% of your last 12 months of earnings or “average earnings”. For example, if your last day on the active payroll is June 5, earnings would be taken from June of the previous year up until the month of May in the year your pension is effective. If you had a month in which you earned less than full credited service, that month would be skipped over and not included in your 12-month average and the next month with full credited service would be used.

If you have a dependent child (your child by birth, marriage or adoption), you will receive an additional 10% benefit. The benefit will continue until the child is 19 years old or up to age 23 if the child is enrolled in an accredited school or university.

If you are approved for Social Security disability benefits, your pension benefit will be reduced dollar for dollar of the amount of your initial awarded amount of Social Security disability benefits.

For example, let’s say your last 12 months earnings are:

<b>Month</b>	<b>Monthly Earnings</b>
June	\$1,200
July	\$1,000
August	\$1,000
September	\$1,000
October	\$1,000
November	\$1,100
December	\$2,035
January	\$1,100
February	\$1,250

March	\$1,100
April	\$1,100
May	\$1,100

The monthly average of these earnings is \$1,165 and the disability benefit would be calculated at 60%.

$$\$1,165 \times 60\% = \$699 \text{ monthly}$$

If approved for Social Security disability benefits and your initial awarded amount is \$500, your Metro disability benefit would be:

$$\$699 - \$500 = \$199 \text{ monthly}$$

**Is there any income that does not count toward pension?**

Certain types of income are not included when calculating your pension benefits. These include any non-taxable income (for example, travel/mileage reimbursement, tool reimbursements, and police secondary employment for a non-Metro employer).

**Early Conversion to Service Retirement**

Once you reach 65, your disability pension will end and your service retirement will begin. You may convert to an early service pension rather than waiting until age 65; however, you will take a reduction in your benefits when you convert early. If you convert to an early service pension, there will be no deduction for Social Security disability benefits and there will be no limit on outside allowable earnings. If you would like more information about converting early, contact Human Resources.

**Calculating Credited Service**

There are several issues to consider when looking at your total credited service. Credited Service is calculated using the following dates: your hire date or date you became eligible for benefits, your retirement date (the last date were paid on the payroll), the amount of any unused sick leave that you have and whether you have any prior service to connect.

Credited service is determined in the following way:

- To receive *full credit* for any month, you must be paid for at least 80 hours during that month.

- If you were paid between 40 and 79 hours for any given month, you receive *half credit* for the month.
- If you were paid for less than 40 hours during the month, you receive *no credit* for that month.

### **Connection of Service**

If you worked for Metro before and you quit, you may be eligible to connect that prior service. A break in service is when you terminate your employment with Metro and then return to work with Metro at a later date. After being reemployed with Metro for one continuous year (working at least 20 or more hours a week), you may be allowed to connect your prior service.

If you have prior service to connect, you will need to contact Metro Human Resources to request that your service be connected. If you decide you want to connect that prior service at the time of your disability pension, you will need to make arrangements to pay back any pension contributions (plus interest) that you might have received when you quit Metro or any contributions owed for the time being connected. If you do not need to connect your prior service in order to be eligible for a disability pension, you may wait until your normal or early service retirement to connect the service. All eligible connections of service time must be addressed prior to your service pension becoming effective.

If you worked for Metro as a seasonal employee, you will not receive credited service for the first four months of your employment. If you worked part-time, you may be eligible to receive pension credit for that time provided that you worked at least 20 hours a week.

### **MNPS employees and Summer Credit**

School employees who begin their employment after the official start of the school year do not receive service credit for the following summer months when school is out. If you are a 10 month employee and you have a month in which you work less than 40 hours, you will not receive credit for the following summer months. However, if you do start at the beginning of the school year and earn credit for each month of the scheduled school year, you will receive credit for the following summer months.

## **Application Process**

Once you make the decision to apply for a disability pension, you will need to contact Metro Human Resources immediately at 862-6700 and you will be scheduled for an appointment with a Benefits Representative. If you wish to

bring someone with you to this meeting, you are encouraged to do so. You must bring copies of several important documents to this appointment:

- Your birth certificate (or driver's license with birth date listed)
- Your Social Security Card (or driver's license with SSN listed or documentation from the Social Security Administration with SSN listed)
- Your Medicare Card (if applicable)
- Marriage Certificate (if applicable)
- Spouse's birth certificate or driver's license with birth date listed)
- Spouse's Social Security Card (or driver's license with SSN listed or documentation from the Social Security Administration with SSN listed)
- Spouse's Medicare Card (if applicable)
- Dependent's birth certificate and Social Security card (or driver's license with date of birth or SSN listed)
- Divorce Decree or Spouse's death certificate (if applicable)
- Birth certificate and Social Security Card for any surviving beneficiary other than spouse (if applicable)
- Social Security estimate of earnings, if considering Option C
- Voided check or Deposit Slip (if considering direct deposit)

Note: If using a substitute document above please be advised that each substitute may only represent one document source (i.e. you may not use your driver's license for both your Social Security number and as proof of your date of birth).

If you do not have these documents, you should consult your local Social Security Administration office, Health Department or Vital Statistics.

At this appointment, you will receive a packet requesting a medical release and medical information from you. You will need to complete this packet and mail it directly to the Office of the Civil Service Medical Examiner. If appropriate, portions of your records will be reported to the Board and made public.

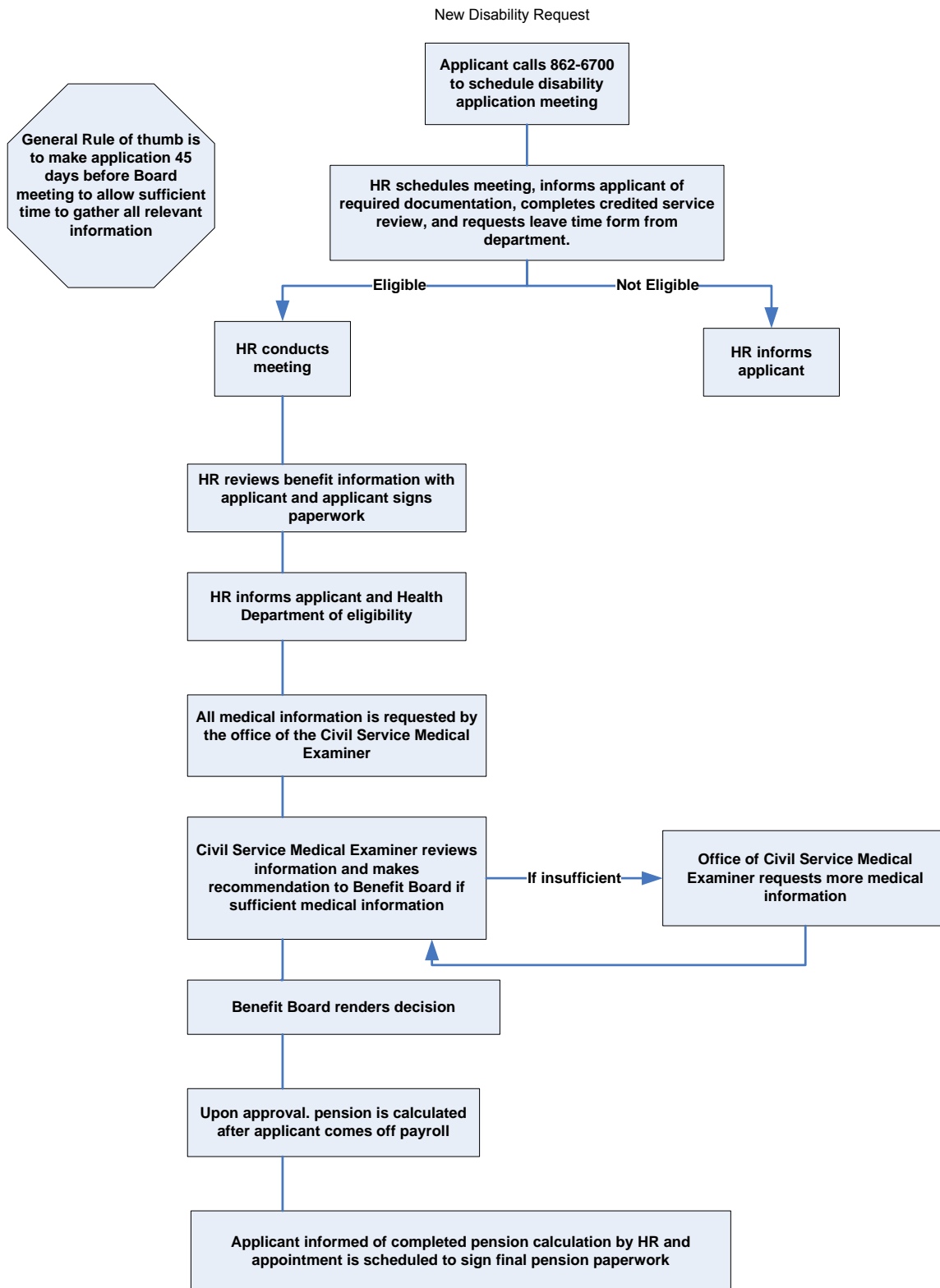
After your appointment, Human Resources will notify your department that you are applying for a disability pension and will request information about your last day on the payroll. If your disability pension application is approved by the Board, your disability pension benefits will then be calculated once you leave active payroll and have received your last active paycheck. Your pension will then be audited for accuracy and you will be contacted by a Benefits Representative to sign your final disability pension paperwork.

### **Approval of Your Pension**

If your pension is approved by the Board, it will either be approved for a specified period of time or under a category designated “approved without stipulation of scheduled reexamination”. Under the benefit system, the Board is authorized at any time to ask that you submit medical reports and undergo an examination.

If the Board approves your pension for a specific length of time with a reexamination or a review to be made, you will be advised by the Office of the Civil Service Medical Examiner prior to that reexamination. You will be asked to sign a release of medical information. If you do not comply with the reexamination process, your pension check will be suspended until you become compliant.

# Disability Application Process



## **Disability Compliance**

There are certain things that disability pensioners are required to do while out on a disability pension. When you come in to sign your pension paperwork, you will be required review and sign a Disability Pension Agreement.

### **Social Security Benefits**

Social Security pays you a regular monthly benefit when you retire, become disabled, or die. Your dependents may also be eligible for Social Security benefits when you retire, become disabled, or die. You can file a disability pension application with the Social Security Administration by calling 1-800-772-1213 or by applying on-line at [www.ssa.gov](http://www.ssa.gov).

The Benefit Board encourages all disability pensioners to apply for Social Security Disability benefits. Sometimes the Social Security Administration denies initial applications for benefits, but you are encouraged to continue the appeals process.

However, the Board requires those disability pensioners who are offered Social Security Disability Insurance (SSDI) case management advocacy assistance to apply for Social Security disability benefits and follow the process through the Administrative Law Judge. You will be notified if you are required by the Board to apply for Social Security Disability benefits. Disability pensioners who receive a Technical Denial from the Social Security Administration will be exempt from further appeal of this benefit unless your circumstances significantly change.

It is not necessary or required that you hire an attorney to represent you in any stage of the application or appeal process with the Social Security Administration. You do have the right to have legal representation during this process. If you would like to have an attorney represent you and do not have a personal attorney, you may contact the Nashville Bar Association at 242-9272 and they can provide you with the names of attorneys that are experienced in this area.

We request that you provide Metro Human Resources with copies of all Social Security Administration correspondence. If your case is approved, your Metro disability pension check will be reduced dollar for dollar by the amount of your initial disability award amount. Once notice has been received as to the amount of your Social Security primary benefit amount, this information must be promptly forwarded to this office. Failure to furnish the information may result in collection procedures when the notice is finally received.

If you have already turned sixty-two (62) years of age, you may be eligible for (retirement) social security benefits. If you apply for these benefits at age sixty-two (62), your disability pension from The Metropolitan Government will not be

reduced by this amount. You need to consider, carefully, whether you should apply for your social security benefits at age sixty-two (62) or defer that application until you convert to an unreduced service pension benefit.

### **Outside Allowable Earnings**

Disability pensioners are allowed to earn additional income while receiving a disability pension from Metro as long as you work within your medical restrictions. The amount of income you are allowed to make is based upon the salary that you are making at the time you go on disability.

The amount you are able to earn is based upon the difference between your salary at the time of your disability and the gross amount of your disability pension. Your outside allowable earnings amount may vary each July if there is a pay plan increase or improvement. If you earn more than you are allowed, your disability pension will be adjusted. When you sign your disability paperwork, the amount of income you are allowed to make will be provided to you. If you are working, you may request an updated calculation of your outside allowable earnings from Human Resources each July.

For example, if your last salary was \$35,000 and your annual pension benefit is \$18,000, you are allowed to earn the difference between \$35,000 and \$18,000, which is \$17,000. Over time as your previous classification receives pay plan improvements, the salary of that position may increase to \$37,000. You would then be allowed to earn \$19,000 (the difference between \$37,000 and \$18,000).

### **Annual Disability Questionnaire**

Disability pensioners are required to complete an annual disability questionnaire. This questionnaire will be mailed to you each July and will ask about your current health status, your earned income, your Social Security status and the status of your dependent child. It is your responsibility to fully complete this questionnaire and return it to Human Resources. If the questionnaire is not returned, you will be placed in a non-compliant status, your pension check will be suspended and you will be responsible for paying your insurance premiums directly to Metro. This questionnaire is not part of the re-examination process that is scheduled when the Board approves a disability pension.

### **Return to Work**

You should contact Metro Human Resources Department immediately if your treating physician releases you to return to work or changes your restrictions. You will be asked to sign a medical release and/or to supply your medical records to the Office of the Civil Service Medical Examiner located at the Health Department for the Civil Service Medical Examiner's review. A Return to Work Form will need to be completed by the Civil Service Medical Examiner in order for the Human Resources Department to begin processing your return to work.

Note: At the discretion of the department, a physical examination may be required before returning to work.

If you are receiving Social Security benefits from the Social Security Administration, you will need to notify them once your condition improves and you are attempting to return to work. If you are unable to return to your former position, Human Resources will work with you to find another position. If you return to work with Metro earning less than you were before, your pay will be supplemented to make up the difference. You will continue to receive the supplement until your pay in the new job equals your pay before disability. For example, if your salary was \$36,000 before your disability began and \$30,000 after you returned to work, Metro's benefit program would supplement your pay \$6,000. As your salary increases, the salary supplement is reduced. So if your salary increases by \$2,000 to \$32,000, the supplement drops to \$4,000.

## **Points of Interest**

### **Medical, Dental and Vision Insurance Benefits**

When you retire, you will have the option of continuing your medical and dental insurance as well as adding eligible dependents. If you have an eligible change in status (marriage, divorce, death, birth, adoption or custody of a child, spouse losing insurance coverage or job, etc.), you must add the dependent to your insurance plan within 60 calendar days or you may never add the dependent at a later date, even during Annual Enrollment. If you drop your dependents while on disability pension due to an event unrelated to an eligible change in status, you may not add that dependent back to your coverage for any reason until you convert to a Service Pension. For a complete list of eligible changes in status or if you have questions about adding or deleting dependents, contact Human Resources.

When signing your pension application, you may also elect to continue your vision insurance the same way as with your medical and dental benefits.

### **Medicare Parts A, B and D**

Metro requires pensioners and dependents to elect Medicare Parts A and B as soon as you first become eligible to enroll. Medicare Parts A and B will be offered no later than age 65, but may be offered earlier if you have certain medical conditions. Once you receive a copy of your Medicare card, or other documentation showing you have both Parts A and B, and you will need to send a copy of the card or documentation to Metro Human Resources. By having Medicare Parts A and B, your Metro insurance premiums may be reduced.

On the date that you become eligible for both parts, Medicare will become your primary insurance carrier and your Metro insurance carrier will become secondary. If you are eligible for Medicare Part B, but do not elect Part B, your medical insurance through Metro will process your medical claims as if you did have Part B. By not electing Part B, you could be responsible for 80% of all your medical bills.

Metro's insurance is specifically designed to work with Medicare Parts A and B. This coordination is the reason Metro retirees have quality medical insurance that many other retirees don't. When you need care, Medicare pays its share (doctors and hospital bills) and Metro's insurance pays its share. That's also the reason you get a big discount on your Metro insurance once Medicare kicks in. Medicare and Metro's insurance combine to give you a comparable level of coverage to what you enjoyed as an employee.

Once you retire with Metro and are age 65, Metro will automatically adjust your insurance premiums to reflect that you have Medicare (if you have dependent children on your health plan, this adjustment may not be made). Since premiums are paid one month in advance, this new, lower premium will be deducted from your pension check in the month prior to your 65<sup>th</sup> birthday. You should still send a copy of your Medicare card to Metro Human Resources. If your spouse (or other dependent) is receiving Medicare Parts A and B, you must notify Metro Human Resources immediately.

While Metro does require that pensioners enroll in Medicare Parts A and B, Metro does NOT require that you enroll in Medicare Part D coverage. Since Metro provides pensioners with prescription drug coverage, it is **not** in your best interest to enroll in Medicare Part D.

### **Flexible Spending Accounts**

If you participated in Metro's Flexible Spending Account (FSA) program as an active employee, your participation in the program will continue as long as you are on active payroll. This means if you have stopped working because you have applied for a pension and you are running your vacation or other leave out (as applicable), then your participation in the FSA program will continue as long as you are on active payroll. Your participation will stop once you are no longer on active payroll and you will have 90 days from the date you come off active payroll to submit receipts to the FSA vendor for reimbursement.

### **Life Insurance**

As a retired Metro employee, Metro provides you with \$10,000 of term life insurance at no cost to you. Your life insurance benefit is payable to the person you have last named as your beneficiary.

At retirement, you have the option to convert to an individual life policy in \$1,000 increments up to \$40,000 (which is the difference between the \$50,000 active employee amount and \$10,000 pensioner benefit). You must make written application and payment of premium to the life insurance company within 31 days from the date you are notified by Metro. To obtain a conversion form, contact Prudential at (800) 778-3827.

Pensioners are not eligible to enroll in supplemental term life insurance. However, if you were previously enrolled as an active employee, you may elect to continue your supplemental term life coverage as a pensioner under an individual policy at the lesser of \$20,000 or the amount that is in force prior to retirement (at least \$10,000). The decision to continue your supplemental life coverage must be made at the time you are signing your pension application paperwork.

### **Waiver of Premium**

If you are disabled according to the insurance company's standards (not Metro's) and are under the age of 60, you may apply for a Waiver of Premium for the basic life insurance benefit and the same amount of supplemental life insurance you last had while actively employed. This benefit will provide your beneficiary with \$50,000 at your death, plus the amount of supplemental life insurance you had in place as an active employee when you retired. If you are over the age of 60, you may not apply for the waiver and your life insurance amount as a pensioner will be \$10,000.

You may immediately apply for the waiver of premium benefit, but you must apply within 12 months of the date you became disabled. If approved, benefits may remain in effect until your age 70 (after age 70, your life insurance benefit will be \$10,000).

If you qualify for the waiver of premium, this is a free benefit to you. If you are denied for the waiver of premium benefit, you have 30 days from the date of the denial to appeal the insurance company's decision. If your appeal is denied, or you elect not to appeal the denial, you may convert to an individual policy; however, you must make written application and payment of premium within 31 days from the time the insurance company denies your waiver of premium application. To appeal or convert, you must contact the insurance company.

For additional information about your life insurance benefits, you may contact Prudential at (800) 524-0542 and provide the group number 46767.

### **Voluntary Insurance Plans**

If you are enrolled in a voluntary insurance plan, you may continue these deductions as a pensioner. It is your responsibility to contact the voluntary

insurance company and inform them your premiums need to be taken on a monthly basis rather than a semi-monthly basis. The insurance company will need to submit a new payroll deduction authorization form to Metro Payroll. Failure to make these arrangements could result in a lapse of coverage.

### **Your Pension Check**

Pension Checks are issued every month on the last working day of the month. If your final paperwork is signed before the 6<sup>th</sup> of the month and your pension was effective the previous month, you may receive an interim paycheck issued on the 10<sup>th</sup> of the month. If you are enrolled in the medical, dental and vision insurance plans, current premiums and any premiums owed will be deducted from your first pension check.

As a matter of convenience, Metro encourages each pensioner to sign up for direct deposit. With direct deposit, your pension benefit is automatically placed in your bank account electronically. Direct deposit is convenient no matter where you are when we issue your pension check – at home or out of town. Your check will be automatically deposited straight into your account, and you will not have to wait in line at the bank to cash or deposit your check. Metro will send you a check stub by mail to confirm that we transmitted your benefit to the bank. You can easily verify your deposit by calling your bank's Customer Service Department or viewing your account on the bank's secured website.

### **Taxes on Pension Money**

Medical Disability pensions are considered taxable income. You may choose whether or not you want Metro to withhold taxes from your pension check and you may change your tax withholding at any time. If you choose no deductions, then you will be responsible to pay any taxes owed when you file your yearly tax returns. In-Line-of-Duty disability pensions are not considered taxable income. Social Security is not withheld from pension checks.

When you are on a pension, you will receive a form 1099-R each year. Like a W-2 form, it shows how much pension you received and what taxes, if any, were withheld. You will need this information to do your income taxes. It also shows tax withholdings. Like other tax records, you should keep a copy of this form in case you are audited.

### **Dependent Child Benefit**

If you are receiving the dependent child benefit, it is your responsibility to notify Metro Human Resources if your child is no longer a dependent, gets married, is no longer attending school on a full-time basis or reaches the age of 23. If any of these events occur, your dependent child benefit should stop.

### **Pension Benefits for your Survivor**

If you were to die while receiving disability benefits, your legal spouse or dependent child would receive a monthly pension benefit. Your legal spouse would receive a benefit for life. If you were unmarried, but had a dependent child (your child by birth or adoption), the child would receive a benefit until the age of 19 and thereafter up to age 23 only if the child is enrolled in an accredited college.