

Administrative Rule #821 – Duration of Disability Benefit (Beyond Normal Retirement Age)

BOARD OF PENSIONS ADMINISTRATIVE RULES

Section	8 (Disability)	Subject:	Duration of Disability Benefit (Beyond Normal Retirement Age)
Rule Number:	821		
Reference:	Article XI, Sec. 11.3(g)	Resource:	Benefits Team
		Original Date:	7/11

Duration of Disability Benefit (Beyond Normal Retirement Age)

The total disability benefit payable under the Plan is offset by any other benefit payments the member receives as a result of the disability, except for payments from privately purchased insurance. In October of 2000, the Equal Employment Opportunity Commission (EEOC) issued guidance for the coordination of retirement benefits with disability benefits for persons who become disabled after attainment of normal retirement age or for those who are receiving a disability benefit upon attainment of normal retirement age.

Therefore, the Board will reduce the disability benefits payable under the Benefits Plan by the total amount of the retirement pension benefit payable from the Benefits Plan, including Experience Apportionment Increases. The effective date of the offset is as follows: Since disability benefits are neither designed nor funded to allow a member to defer normal retirement in order to receive enhanced pension benefits:

Age at Disability	Effective Date of Offset for BOP Pension Benefit	Effective date of Offset for SSRI Benefit	Maximum Duration of Disability Benefit
Age 62 to 63	1st day of month following attainment of NRA	1st day of month following attainment of NRA	3.5 Years
Age 63 to 64	1st day of month following attainment of NRA	1st day of month following attainment of NRA	3 Years

Administrative Rule #821 – Duration of Disability Benefit (Beyond Normal Retirement Age)

Age 64 to 65	1st day of month following attainment of NRA	1st day of month following attainment of NRA	2.5 Years
Age 65 to 66	Effective Date of Disability	Effective Date of Disability	2 Years
Age 66 to 67	Effective Date of Disability	Effective Date of Disability	1.75 Years
Age 67 to 68	Effective Date of Disability	Effective Date of Disability	1.5 Years
Age 68 to 69	Effective Date of Disability	Effective Date of Disability	1.25 Years
Age 69 and Over	Effective Date of Disability	Effective Date of Disability	1 Year

- We will advise Plan members that the Disability Plan provides for an offset of the Disability Benefit if the member elects to defer initiation of the Plan’s retirement pension benefits and for Social Security retirement benefits beyond the Normal Retirement Date under the Plan. If a Plan member has elected not to apply for the Plan’s retirement benefits and/or Social Security retirement benefits, estimates of what would otherwise be payable will be used as offsets.
- We will offset the Plan’s disability benefit by the Plan’s retirement pension benefit, including experience apportionment increases, and Social Security retirement benefits received by the member. (See Examples)
- The accrual of pension credits terminates at the Plan’s Normal Retirement Age.
- Death benefit coverage will be continued at no cost to the Plan member for the duration of the disability benefit eligibility period. Death benefits will be paid as if the member were an active member.
- Medical benefits coverage will be continued at no cost to the Plan member for the duration of the disability eligibility period. Medical benefits will be provided to the Member and all eligible dependents in the following manner:
 - For those disabled members who become disabled prior to age 62, Active Medical Coverage will be provided throughout the disability duration period.
 - For those disabled members who become disabled after age 62 but before reaching their normal retirement age, Active Medical Coverage will be provided beginning on the effective date of disability up through Normal Retirement Age. The first day of the month following attainment of normal retirement age, Medicare Supplement or Medical

Administrative Rule #821 – Duration of Disability Benefit (Beyond Normal Retirement Age)

Continuation coverage will be provided for the member and all eligible dependents for the remainder of the disability duration period.

- The Board will reimburse the cost of any Medicare Part B premiums the member and his/her eligible dependents are responsible for.
- For those members who become disabled after attainment of normal retirement age, The Board will provide Medicare Supplement or Medical Continuation for the member and all eligible dependents for the disability duration period. The Board will reimburse the cost of any Medicare Part B premiums for which the member and his/her eligible dependents are responsible.