LACERA

As Revised and Approved by
The Board of Retirement

Disability Retirement

A Step-by-Step Guide

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

INTRODUCTION

Disability retirement is a benefit meant to provide you with a source of income in the event you become permanently sick or injured and are no longer able to perform the usual duties of your job. **Disability retirement should not be viewed as a part of the normal retirement planning process;** rather, it is the exception brought on by your inability to continue working the usual duties of your job.

This guide is designed to explain LACERA's disability retirement program and help you through the process of applying for it. It is divided into four main sections:

- Eligibility and Benefits
- Application Process
- Board of Retirement Actions
- Frequently Asked Questions

DISABILITY RETIREMENT

Step-by-Step

Your Personal Guide

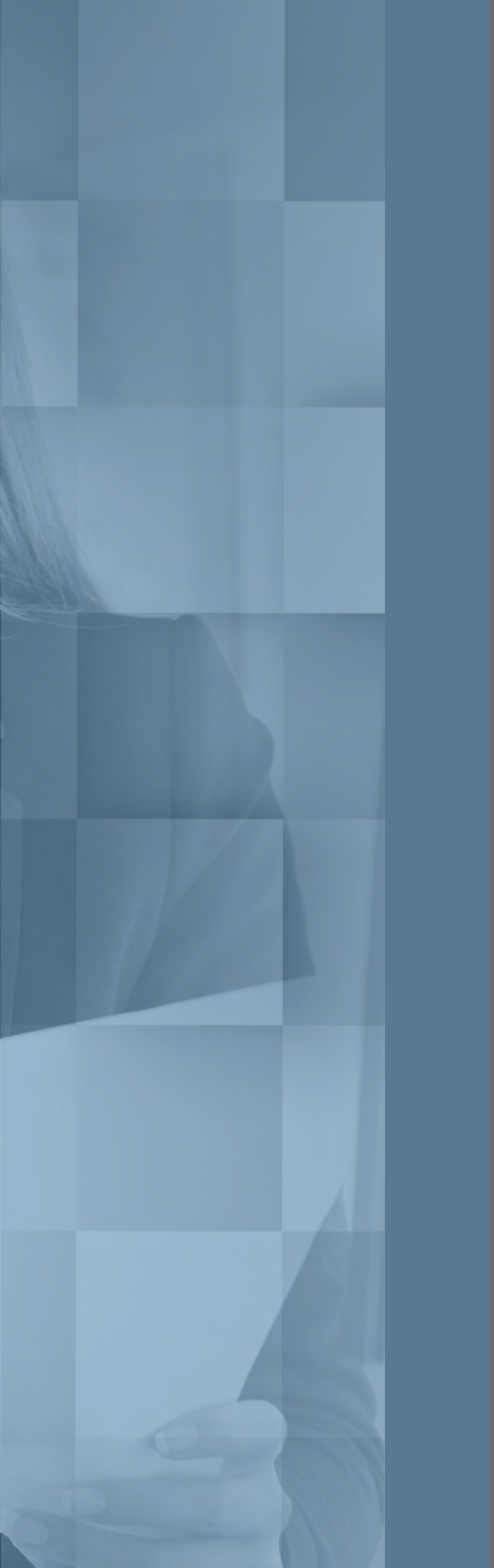


TABLE OF CONTENTS

1 ELIGIBILITY AND BENEFITS 1

Eligibility 1

Prospective Plan Transfers 2

When to Apply 3

Effective Date 3

Benefits 4

Service-Connected Disability (SCD) Benefits 4

Nonservice-Connected Disability (NSCD) Benefits 4

Cost-of-Living Adjustment (COLA) 5

Salary Supplement 5

2 APPLICATION PROCESS 8

Discovery and Obtaining Records 9

Interview 9

Independent Medical Examination by a LACERA Panel Physician 10

Board Preparation 10

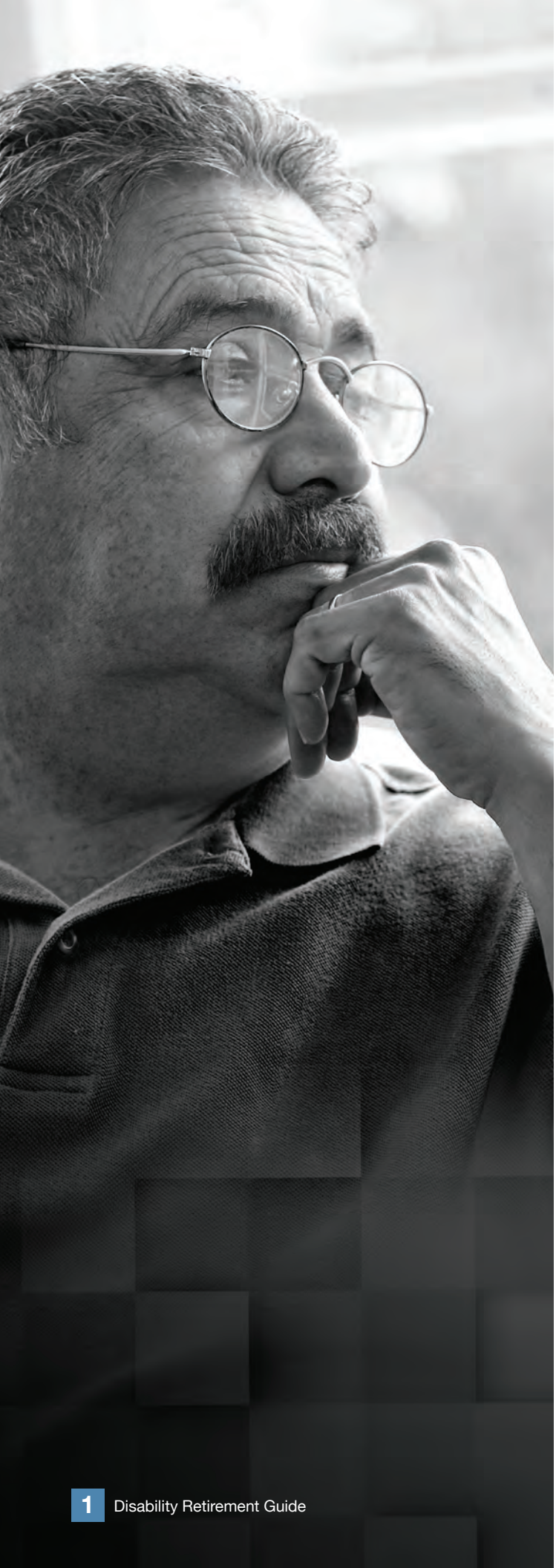
3 BOARD OF RETIREMENT ACTIONS 11

Disability Retirement Granted 11

Disability Retirement Denied 13

Service Retirement While the Board's Decision Is Pending 13

4 FREQUENTLY ASKED QUESTIONS 14



1

ELIGIBILITY AND BENEFITS

Eligibility

Members of LACERA's contributory General Plans A, B, C, D, G and Safety Plans A, B, C who become permanently incapacitated from the performance of their usual job duties due to illness or injury are eligible to apply for a disability retirement allowance.

Members of LACERA's non-contributory Plan E are ***not*** eligible for a disability retirement allowance. However, if you are a Plan E member, you may be eligible for disability benefits under the County's Long-Term Disability and Survivor Benefit Plan. Plan E members should check with their department for details regarding County-sponsored and/or County-administered insurance benefits.[1]

If you have withdrawn or at any time withdraw your retirement contributions, you are ***not*** eligible for disability retirement. The act of withdrawing contributions means any pending disability application or disability appeals will be closed and you may not reapply.

[1] Represented (unionized) Safety members of the Sheriff's Department may also apply for disability benefits under the Peace Officers' Relief Fund (PORF). Contact the appropriate union that represents you for details.

Disability retirement may be granted for two different types of disability, as follows:

- **Service-connected disability (SCD):** Permanent disability resulting from an illness or injury substantially related to your County employment.
- **Nonservice-connected disability (NSCD):** Permanent disability resulting from an illness or injury ***not*** related to your County employment.

If you cannot perform your usual job duties due to a service-connected disability, there is no requirement of minimum years of service necessary to apply. If you cannot perform your usual job duties due to a nonservice-connected disability, you must have at least five years (60 months) of County (or County and reciprocal) service credit.

In lieu of a pension, a member who is found by the Board of Retirement (BOR) to be permanently incapacitated for the performance of his or her usual job duties, *but who is capable of performing the duties of another County position,* may be eligible for a service-connected or nonservice-connected **salary supplement.**[2] In such cases, should the member opt to accept a new, typically less arduous County position, LACERA will supplement the difference in compensation up to the maximum disability allowance granted. See Salary Supplement (pg. 5) for more details.

If you are terminally ill and wish to provide a continuing allowance to your survivor, you or your authorized representative should contact LACERA immediately at 800-786-6464.

[2] There are two sections of the County Employees Retirement Law (CERL) that apply: 31725.5 for nonservice-connected disabilities and 31725.65 for service-connected disabilities.

Prospective Plan Transfers

Members who transferred from Plan E to Plan D through a prospective plan transfer (PPT) may be eligible to apply for disability retirement benefits. Eligibility requirements are as follows:

- If you have completed two years of uninterrupted service as an active Plan D member after your most recent effective date of transfer, you are eligible to apply for disability retirement benefits. However, if you took time off during your two years of service as an active Plan D member because of a preexisting condition, you are ***not*** eligible to apply.
- If you have earned a total of five years of service as an active Plan D member after your most recent effective date of transfer, you are eligible to apply for disability retirement benefits even if there was a break in service, including time off.

A Plan D member deemed ineligible to apply for disability retirement due to a PPT is permitted to transfer back to Plan E and continue under the County Long-Term Disability (LTD) program as a Plan E member. Under certain circumstances, it may be more advantageous for the affected member to continue LTD benefits under Plan E than under Plan D.

Members with a double account resulting from a PPT from Plan E to Plan D who are granted a disability retirement under Plan D are ***not*** eligible to receive Plan E service retirement benefits, regardless of the amount of service credit accrued or if they are vested in Plan E.

For more information regarding Plan D eligibility, call 800-786-6464 to speak with a LACERA Retirement Benefits Specialist.

When to Apply

An application for a disability retirement must be submitted:

- While you are still employed; or
- Within four months after discontinuance of service; or
- Anytime after discontinuance of service, provided that:
  - You are physically or mentally unable to perform your usual duties, that condition has been continuous from the last date of regular compensation, and you have medical evidence to substantiate this continuous disability; and
  - A delay in filing your application has not impaired LACERA's ability to investigate your case.

Anyone may apply on your behalf for a disability retirement, including someone in a position of authority from your department or personnel office,[3] spouse, or domestic partner. However, in order for your application to proceed, you will need to fully cooperate with the disability retirement process. You may apply for a *service retirement* (based on

age and years of service) while your disability case is pending. See page 13 for further information on how your employment status and benefits may be impacted by applying for a service retirement while your disability retirement application is pending.

Effective Date

Generally, the disability retirement allowance becomes effective as of the date the application is filed with LACERA, but not earlier than the day following the last date of regular compensation.[4] Regular compensation includes but is not limited to sick leave and vacation pay *when taken by an employee as time off; i.e., not as a lump sum or termination pay.*

When an application is filed after the member's last date of regular compensation and the member wishes to ask for an earlier effective date, the member must request this by selecting the earlier effective date option on the application. Failure to request an earlier effective date at the time of filing the application for disability retirement constitutes a waiver of this benefit, with two exceptions:

- The application can be amended, without cause, to seek an earlier date at any time prior to the date the member is referred to a Board of Retirement (BOR)-appointed physician for a medical examination.
- Thereafter, the member must seek BOR approval to amend the application, supported with a showing of good cause.

An earlier effective date cannot be granted unless it is shown to the satisfaction of the BOR that either:

[3] This is commonly referred to as an Employer Application.
[4] Government Code Section 31724

- The filing of the application was delayed by administrative oversight; or
- The permanency of the incapacity could not be determined until after the date following the last date of regular compensation.

If the request is granted, the application will be deemed to have been filed on the date following the last date of regular compensation.

In the event the member returns to work or receives regular compensation after the filing of the application for disability retirement, the member will once again receive regular compensation. Accordingly, the earlier effective date will no longer be an option.

Benefits

The benefit amount payable depends on the type of disability retirement granted, final average compensation, age, and years of service credit.

Service-Connected Disability (SCD) Benefits

The amount of retirement allowance granted for an SCD is one-half of your final average compensation[5] or your full service retirement allowance (if eligible), whichever is higher. SCD benefits include a County healthcare subsidy. The County contributes a minimum of 50 percent of the member's selected retiree medical/dental plan premium or a minimum of 50 percent of the benchmark plan premium, whichever is less. For members with more than 13 years of service credit, the County pays the percentage to which the member is otherwise entitled under the County's retiree healthcare subsidy. SCD benefits include a lifetime 100 percent continuance of your monthly allowance to your surviving spouse or California state registered domestic partner, if the Unmodified Option is elected.[6] If you and your surviving spouse or domestic partner pass away before a minor child turns age 18, a minor may continue to collect the benefit until age 18, or through age 21 if unmarried and attending an accredited educational institution full time.

Nonservice-Connected Disability (NSCD) Benefits

The amount of retirement allowance granted for an NSCD is a portion of your final average compensation (depending on age and length of service) or your full service retirement allowance, whichever is higher; or an annuity if your incapacity is determined to be due to the intemperate use of alcohol or drugs, or a violation of the law. NSCD benefits include a lifetime 65 percent continuance of your monthly allowance to your surviving spouse or California state registered domestic partner, if the Unmodified Option is elected.[7] If you and your surviving spouse or domestic partner pass away before a minor child turns age 18, a minor may continue to collect the benefit until age 18, or through age 21 if unmarried and attending an accredited educational institution full time.

If the NSCD disability applicant is eligible for a service retirement and the amount of that service retirement allowance is equal to or greater than the amount of the disability retirement allowance, the member may prefer to elect a service retirement rather than applying for an NSCD retirement.

[5] Tax Note: The Internal Revenue Code grants special tax exclusions for certain SCD retirement benefits. Section 104(a)(1) of the Code provides that an amount equal to 50 percent of the member's final average compensation may be excludable from his or her gross income for federal tax purposes. The amount of any cost-of-living adjustments attributable to that amount may also be excludable. Any remaining portion of the allowance is taxable.

Eligible surviving spouses or children who receive a monthly continuing benefit following the SCD retiree's death are also entitled to this IRS tax benefit. The tax benefit does not apply to ex-spouses or surviving domestic partners.

[6] The one-year marriage requirement prior to the member's retirement does not apply for SCD retirements.

[7] Marriage or California state registered domestic partnership must have occurred one year prior to the member's effective date of retirement.

The member would not be subject to the lengthy disability review process, and the allowance would begin on the elected retirement date.

On NSCDs, like service retirements, the County healthcare subsidy applies to members with 10 or more years of service credit; no subsidy is provided for members with less than 10 years of service credit.

A member who is eligible to retire may elect a service retirement and receive the applicable retirement benefit while his or her application for a disability retirement is pending.

Cost-of-Living Adjustment (COLA)

According to the law, every April 1, your retirement allowance may be adjusted (up or down) to account for changes in the cost of living, as reflected in the Bureau of Labor Statistics Consumer Price Index (CPI) for all urban consumers in the Los Angeles–Long Beach–Anaheim area.

The maximum allowable annual adjustment is 3.0 percent for Plan A members and 2.0 percent for members in Plans B, C, D, E, and G.

In the event a COLA decrease is ever required, it will not reduce your allowance to an amount less than the allowance received at the time of retirement. Only COLA increases after the time of retirement would be subject to a decrease.

Salary Supplement

A salary supplement is advantageous if you wish to remain in the workforce in another job classification. The salary supplement minimizes, or eliminates altogether, the difference between your previous salary and your new salary, plus it allows you to continue receiving County benefits and service credit. Increasing your service credit may increase the amount of your retirement benefit. If you are a Safety member, you will retain your Safety status.

To apply for this benefit, you must complete the Application for Supplemental Disability Allowance and submit it within six months of your disability retirement application.

Qualifying for a Salary Supplement

To qualify for a salary supplement, you must have an incapacity that precludes you from continuing to work in your current job classification, and you must meet the qualifications of another, typically less arduous job classification.[8] This new job must be compatible with the work restrictions necessitated by your existing incapacitating injury. If applicable, your department's Return-to-Work Unit will help you identify an appropriate job for which you qualify. Note that LACERA is required to work with your department to determine if they can make any accommodations for your disability before the Board of Retirement can consider your application for disability retirement. However, LACERA cannot assist you in identifying a new job.

Benefit Paid in Lieu of Pension

Though granted by LACERA's Board of Retirement, salary supplements from LACERA are not considered pensions; they are benefits in lieu of a pension. Therefore, salary supplements for both service and nonservice-connected disability retirements are taxable per IRS rules. Additionally, salary supplements are not entitled to COLA.

Salary and Salary Supplement Payments

The *salary* for the new job classification is paid by the County. The *salary supplement* is paid by LACERA and is on a separate pay schedule from

[8] Note that if you are demoted prior to the date of your Application for Supplemental Disability Allowance, you will be evaluated based on the demoted job classification.

the County's pay schedule. There is an interval of time between the salary payment and the salary supplement payment so that LACERA can validate the supplement owed to you each month.
Once the BOR grants the salary supplement, your department should immediately place you in the new job classification so that you are paid at the new rate. After two pay cycles (four weeks) at the new rate, LACERA will begin paying the salary supplement. You will receive your first salary supplement check from LACERA approximately six weeks after you are placed in the new job classification, retroactive to the start of the new job. LACERA pays the salary supplement on a monthly basis in a separate check. Direct deposits are not available.

Limitations on Salary Supplement Amount

The salary supplement is limited to the disability retirement allowance for which you are entitled and cannot exceed your previous salary amount when added to the amount earned in the new position. Therefore, you may receive less than the maximum amount of salary supplement allowed if your earnings in your new job classification plus the full salary supplement would exceed the amount you were paid in the previous job classification. For instance, as shown in **Table 1**, although the salary supplement allowance is $3,000, LACERA will only pay the difference of $2,500 in salary between the old job and the new job.

In the scenario depicted in **Table 2**, the full amount of the salary supplement allowance is paid in order to meet the difference of $3,000 in salary between the old job and the new job.

Because the salary supplement is limited to the disability retirement allowance granted, there may be scenarios in which the salary supplement does not make up the difference between the old and new salary, as demonstrated in **Table 3**. In this scenario, the difference in salary of $3,500 exceeds the disability allowance of $3,000.

Adjustments to the Supplement

Supplemental payments are reviewed on a monthly basis and adjusted when there are increases in salary. If you are promoted in your new position or receive a pay raise, the salary supplement decreases. The salary supplement ceases when the compensation of the new position equals or

Table 1

Children's Social Worker III Voluntarily Demoted to Senior Typist Clerk	
Previous position's monthly salary (target amount)	$6,000
Salary supplement (50% of the previous position's monthly salary)*	$3,000
New position's monthly salary	$3,500
Previous position's salary – New position's salary = Balance left to pay	$2,500
New position's salary + SCD salary supplement = Total new salary	**$6,000**
LACERA will pay the full "balance left to pay" as long as it is equal to or lower than the salary supplement.	

**For simplicity of demonstrating these calculations, the disability retirement allowance utilized assumes the member has been granted a service-connected disability (SCD) salary supplement. Percentages and numbers vary based on the type of benefit granted.*

Table 2

Children's Social Worker III Voluntarily Demoted to Typist Clerk II	
Previous position's monthly salary (target amount)	$6,000
Salary supplement (50% of the previous position's monthly salary)*	$3,000
New position's monthly salary	$3,000
Previous position's salary – New position's salary = Balance left to pay	$3,000
New position's salary + SCD salary supplement = Total new salary	**$6,000**
LACERA will pay the full "balance left to pay" as long as it is equal to or lower than the salary supplement.	

Table 3

Children's Social Worker III Voluntarily Demoted to Typist Clerk I	
Previous position's monthly salary (target amount)	$6,000
Salary supplement (50% of the previous position's monthly salary)*	$3,000
New position's monthly salary	$2,500
Previous position's salary – New position's salary = Balance left to pay	$3,500
New position's salary + SCD salary supplement = Total new salary	**$5,500**
LACERA will pay the full "balance left to pay" as long as it is equal to or lower than the SCD salary supplement. In this example, the balance left to pay is greater than the salary supplement; therefore, the total new salary is less than the target amount. LACERA cannot pay more than the salary supplement.	

**For simplicity of demonstrating these calculations, the disability retirement allowance utilized assumes the member has been granted a service-connected disability (SCD) salary supplement. Percentages and numbers vary based on the type of benefit granted.*

exceeds the compensation of the former position. These adjustments continue until you elect to retire or until the salary paid to you in the new position exceeds the total supplemental disability retirement allowance.

Requesting Retirement

If you are receiving a salary supplement, you may elect to terminate service at any time and take your full disability retirement benefit. You must send a signed letter to LACERA stating that it is your wish to retire. The letter should provide the retirement date, which is the date following the termination date, as well as the selected retirement option.

2 APPLICATION PROCESS

To apply for disability retirement benefits, the forms included in this booklet must be fully completed and filed with Disability Retirement Services (DRS).

1. Disability Retirement Application
2. Physician Statement
3. Authorization for Release of Medical, Psychological, Employment Records and Information, and Workers' Compensation Records
4. Claims Against Third Parties form
5. Missed Medical Appointment form

An applicant must provide a class specification to the physician completing the physician statement to ensure that the physician understands the duties of the class specification. Class specifications are available on the County's website at hr.lacounty.gov. In addition, your department or LACERA can assist in obtaining a copy.

If any of the requested documents are missing, altered, obsolete, and/or incomplete, your application will not be accepted until the correct forms are submitted. The resulting delay will affect the processing and effective date of your disability retirement application.

Once the application has been assigned to a Disability Retirement Specialist, you will receive a letter of acknowledgement from LACERA's DRS. The length of time to process your application depends on the complexity of your claim, how quickly your records can be obtained, and the number of medical appointments required to evaluate your disability. The average processing time is 12 to 15 months, but it may be longer.

The Board of Retirement (BOR) has the statutory duty to determine when a member of the retirement association is eligible for disability retirement under the standards set forth in the retirement law; therefore, LACERA must independently investigate each application for disability retirement, regardless of whether or not the member applying has been deemed disabled through workers' compensation or elsewhere.

The disability application process requires LACERA to obtain your medical records, conduct interviews, and send you to one or more LACERA panel physicians. Additionally, LACERA is required to work with your department to determine if they can make any accommodations for your disability before the BOR can consider your application. If your department is able to permanently accommodate you, your application for a disability retirement may be denied.

LACERA staff is available to help you with the application process, so attorney representation is *not* required. Please note: Members who engage an attorney for representation will likely be required to set aside a portion of any retroactive benefits they may receive to pay the attorney. It is recommended that you discuss this with your attorney in advance.

Discovery and Obtaining Records

A telephone interview is a required part of the application process. The Disability Retirement Specialist may obtain all or some of the following records prior to your telephone interview:

- Workers' compensation documents (benefit awards, notice of work restrictions, any or all injury and incident records)
- Personnel records (timecards/payroll records, accommodation documents, performance evaluations, grievance filings, internal investigations, criminal investigations)
- Medical/psychiatric records
- Records of hospitalizations
- DMV records

Interview

In the event an applicant is incapable of being interviewed, a designated attorney-in-fact must be appointed pursuant to LACERA's power of attorney policy. The attorney-in-fact may assist by providing required information to the investigator.

During the interview, your assigned Disability Retirement Specialist will ask you about your **occupational history** with Los Angeles County to obtain an understanding of where you worked and what job duties you performed since your date of hire. The interview will focus on your last permanent assignment and the position's daily job duties and physical demands. The specialist will also ask whether you have worked in any modified position(s) and whether the position was considered permanent or temporary.

You will be asked about the **details of your injury and/or illness,** including the specifics of the occurrence and progression of your injury and/or illness and the various physicians who have treated you. This is your opportunity to describe what type of treatment you received or are receiving (physical therapy, pain management, surgery, etc.) and whether you feel the treatment has helped. You will be asked to describe in detail what duties you are no longer capable of performing due to your injury or illness and whether (and if so, how) you believe the injury is work-related.

You will also be asked what your **current complaints/symptoms** are, whether you are currently taking any medication, and whether there are any other factors contributing to your disability.

Independent Medical Examination by a LACERA Panel Physician

LACERA has a large panel of physicians who are board certified. In medicine, "board certified" is a description for a physician who has taken and passed a medical specialty examination by one of several recognized boards of specialists. All applicants are expected to be examined by at least one of the panel physicians specific to their accepted injury or condition. The DRS staff will do the following:

- Prepare a Disability Retirement Evaluation Report (DRER).
- Send the DRER and all relevant records to LACERA's panel physician.
- Notify the applicant/attorney in writing of the examination date. (Note: LACERA pays for the examination, but the applicant is responsible for paying the physician's office for any missed appointment fees.)

If the LACERA panel physician issues permanent work restrictions, the applicant's department will be contacted to see if the restrictions can be permanently accommodated, or if they could have been permanently accommodated at the time you left County service.

Applicants will not be entitled to a copy of the Panel Physician Report until after the Board of Retirement makes a decision.

Board Preparation

Once DRS has received the medical report from the LACERA panel physician and, when necessary, contacts the department, DRS will then make a recommendation and prepare the case for review by the Board of Retirement (BOR).

The recommendation will be to grant or deny the disability retirement. If the recommendation is to grant, DRS will also make a recommendation concerning entitlement to an earlier effective date, if requested. Please note this is only a recommendation. The BOR as the trier-of-fact is the only body with authority to make a determination on disability retirements.

Important Information About Case Reviews

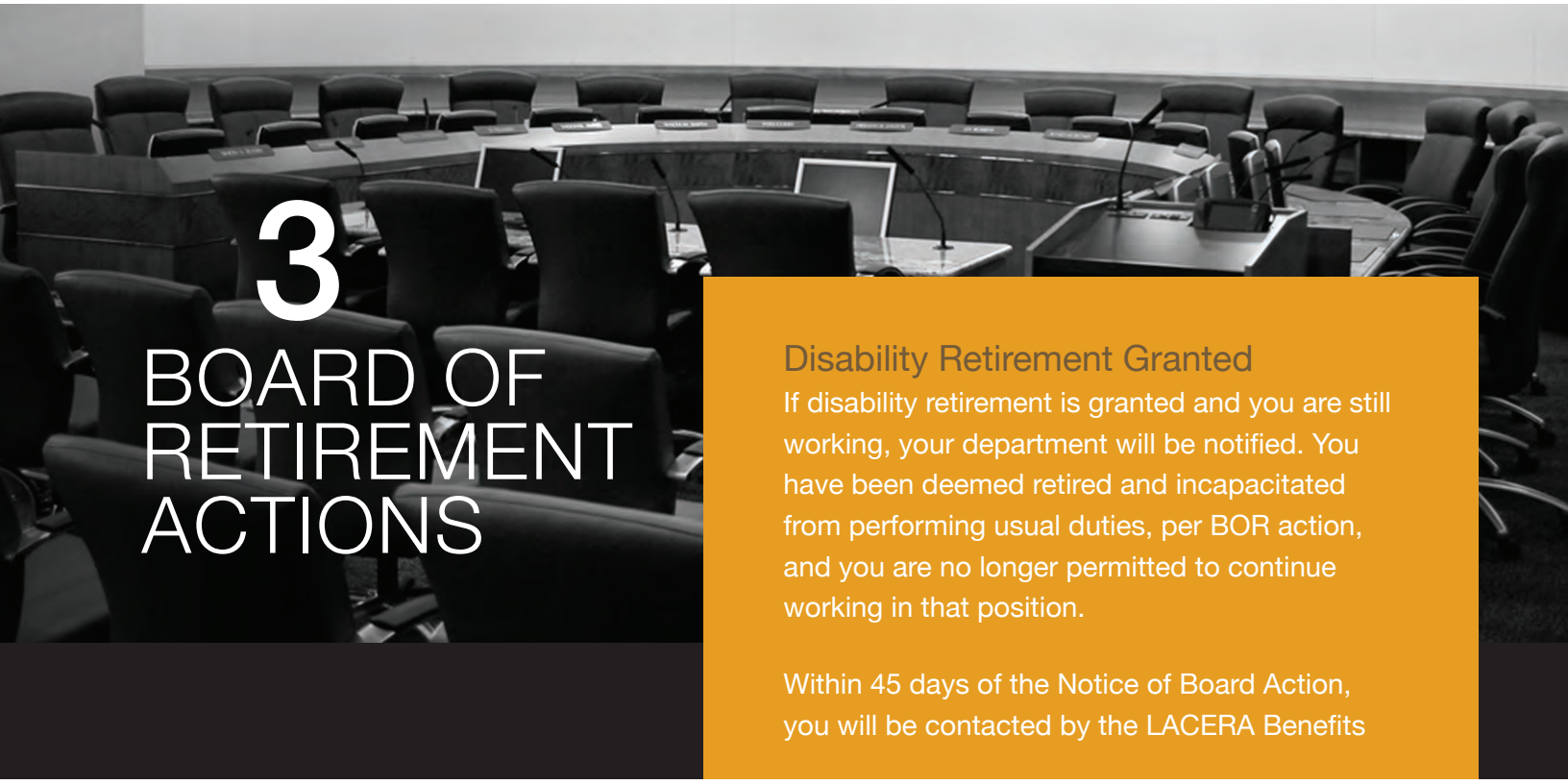
Applicant/attorney will be notified in writing of the date the case will be presented to the BOR.

Any cases that require BOR discussion are heard by the BOR in closed session.

Applicant/attorney may attend the closed session but may not address the BOR regarding their application. Applicant's spouse or non-attorney representative will not be allowed in closed session. Should the attorney/applicant wish to address the BOR during public comment, a request must be submitted prior to the start of the board meeting.

Copies of the BOR packet may be provided upon request to the applicant/attorney after the BOR has taken action on the application. Due to the sensitive nature of certain medical conditions, portions of the BOR packet may be redacted.

Applicant/attorney will be notified in writing of the BOR's action and appeal rights.



3 BOARD OF RETIREMENT ACTIONS

Disability Retirement Granted

If disability retirement is granted and you are still working, your department will be notified. You have been deemed retired and incapacitated from performing usual duties, per BOR action, and you are no longer permitted to continue working in that position.

Within 45 days of the Notice of Board Action, you will be contacted by the LACERA Benefits

Division to discuss retirement options. Disability retirement benefits, once granted, generally become effective as of the date the application is filed with LACERA, but not earlier than the date following the last date of regular compensation.[9] Regular compensation includes but is not limited to sick leave and vacation pay,[10] holidays, some workers' compensation benefits, and short-term disability.

After you have been granted a disability retirement, you are responsible for your finances while you are waiting to receive your retirement allowance, which may take up to 90 days.

The department will determine the last date of compensation and finalize the termination date. This date is essential for LACERA to calculate and pay a benefit. LACERA cannot independently establish the last date of compensation. If there is a delay in receiving the termination date from the department, the benefit will also be delayed. Note that the termination date determined by the department cannot be provided until all administrative tasks for your termination process are completed (e.g., papers are signed, you have turned in all of your County-owned equipment, etc.).

If you service retired after you applied for disability and your disability retirement is granted, you may select a different retirement option, if desired. Additionally, if you previously service retired, your benefit will be adjusted to reflect the granting of your disability retirement. This may include a change in your effective date, monthly allowance, and/or tax status.

[9] Government Code Section 31724

[10] When taken by an employee as time off

Note: If the Board of Retirement finds that you are permanently incapacitated but the disability is not work-related, the Board may grant a nonservice-connected disability retirement, even if you selected "service-connected disability" on your application. You may appeal that decision. However, in an appeal, the Board reviews the case again in its entirety. This means that the Board's original finding of permanent incapacity could be overturned during the appeal process, and it could be decided that you are not eligible for any disability retirement benefits.

Disability Retirement Denied

If disability retirement is denied and you are still working, nothing changes. You continue to work and receive regular compensation. If you are still in active County service but not working, your department is legally obligated to engage you in the interactive process to discuss return-to-work options.[11]

You may file an appeal to any adverse BOR action within 30 days from the date of the Notice of Board Action. *LACERA strongly encourages you to retain an attorney during this process;* however, you may represent yourself in any hearing or court proceeding. *LACERA staff cannot provide legal advice.* The appeal process can take three or more years to complete. Refer to Procedures for Disability Retirement Hearings (DIS112) for further details.

Service Retirement While the Board's Decision Is Pending

You may apply for a *service retirement* while your disability case is pending; however, there are some consequences that must be considered before you make the decision to service retire pending a decision on your disability retirement application.[12]

If you take a service retirement, you may *not* return to your former position regardless of whether or not the BOR grants you a disability retirement. However, if you do not service retire pending the BOR's decision and are determined not disabled, you have the right to be reinstated to your former position, as long as you have not terminated County service.

[11] Government Code Section 31725

[12] You may obtain information specific to your plan on lacera.com, Benefits, Planning for Retirement, Retirement Eligibility.

4 FREQUENTLY ASKED QUESTIONS

1. **If I take a service retirement while my disability application is pending, may I change my retirement option once my disability retirement is approved?**
You (or your eligible survivor) may change your retirement option if you applied for a service retirement after applying for a disability retirement. The change is retroactive to your service retirement date, and previously paid benefits will be adjusted.

2. **Am I eligible for a Pension Advance Option?**
You are *not* eligible to elect the Pension Advance Option if you:

- Submit an application for a service retirement while your disability application is pending; or
- Are currently receiving a service retirement allowance and have applied for, or are granted, a disability retirement.

You *may* elect the Pension Advance Option if you are not granted a disability retirement.

3. If I am granted a disability retirement, will I still be eligible for healthcare insurance?

Yes. You will be eligible for LACERA-administered retiree healthcare benefits, which include a choice of medical and dental/vision plans. The cost of your portion of the insurance premiums, if any, will be deducted from your retirement allowance.

The County healthcare subsidy amount differs based on the type of disability retirement granted, as follows:

- Service-connected disability (SCD): The County contributes a minimum of 50 percent of a member's selected retiree medical/dental plan premium or a minimum of 50 percent of the benchmark plan premium, whichever is less. For members with 13 or more years of service credit, the County pays the percentage to which the member is otherwise entitled under the County's retiree healthcare subsidy.
- Nonservice-connected disability (NSCD): The County healthcare subsidy applies to members with 10 or more years of service credit; the percentage subsidized is determined by the amount of service credit accrued. No exceptions are made on NSCDs with less than 10 years of service credit.

4. May I obtain employment with an employer other than the County if the board determines I am disabled?

Yes. You may obtain full- or part-time employment outside the County, provided the duties of the new job are different from those of your former position. If permanent work restrictions were issued by a LACERA panel physician, your new job duties may not be in conflict with these restrictions.

5. How does reciprocity affect me if I am granted a disability retirement?

If you are a reciprocal member, it might *not* be advantageous for you to apply for disability retirement, since sometimes the amount you would receive with a service retirement benefit exceeds the amount you would receive with a disability retirement benefit.

If you are a reciprocal member who is granted a disability retirement by LACERA or by your reciprocal retirement system, you cannot receive a larger disability retirement benefit than what you would have received if all of your service had been with just one system. Accordingly, your disability retirement benefit ***may be subject to an offset*** in order to ensure that this does not occur.

If you are a reciprocal member, please contact LACERA at 800-786-6464 and ask to speak to a Retirement Benefit Specialist regarding your specific circumstances.

6. Can LACERA cancel my disability retirement at a later date?

Yes. If you are under age 55, LACERA can request a medical reevaluation. If the BOR determines you are no longer disabled, your disability retirement can be canceled; however, the County must agree to reinstate you to your former position.[13]

If you do not return to work after being reinstated to your former position, your disability retirement allowance will cease.

7. May I receive retirement service credit for my prior employment or for time off due to illness?

You may submit an application to purchase prior service credit earned while employed with the County, city, state, or federal agencies

[13] County Employees Retirement Law of 1937, Article 10, Sections 31729 and 31730

(including military service), or time when you were absent from work without pay due to illness. You may also redeposit withdrawn retirement contributions, plus interest.

Your service credit payment contract must be paid in full before you retire, or by lump-sum payment within 120 days after your retirement date.

Please note that purchasing service credit ***may or may not be beneficial*** if you are granted a disability retirement. Contact LACERA to request additional information on purchasing service credit and to learn about its impact on your disability retirement allowance.

8. What are the advantages of purchasing my prior service credit?

Purchasing service credit adds to your total years of retirement service credit. It might increase your disability retirement allowance and the amount of your retiree healthcare subsidy under certain circumstances.

If you have less than five years of County employment, purchasing your prior County service credit may make you eligible to apply for a nonservice-connected disability retirement. You must have completed your purchase of prior service credit before your application for a nonservice-connected disability retirement is accepted.

It is not always advantageous to purchase service credit. Contact LACERA to request additional information on purchasing service credit and its impact on your disability retirement allowance.

9. Is my disability retirement allowance reported to the IRS?

Yes. All disability retirement payments are reported annually to the Internal Revenue Service and the California Franchise Tax Board.

The IRS grants special tax exclusions for certain SCD retirement benefits. Check with a professional advisor regarding tax matters; ***LACERA does not offer tax advice.***

10. What benefits will my surviving spouse or California state registered domestic partner receive when I die?

Survivor benefits for disability retirement vary according to the type of disability retirement granted:

- **SCD benefit for a surviving spouse or California state registered domestic partner**
  - If the Unmodified Option was elected: 100 percent of member's monthly SCD allowance for life. Marriage or California state registration of domestic partnership must have occurred prior to member's retirement; one-year requirement does not apply.
  - If one of the numbered retirement options was elected: Benefit paid to beneficiaries will be based upon the option chosen.
- **NSCD benefit for a surviving spouse or California state registered domestic partner**
  - If the Unmodified Option was elected: 65 percent of member's monthly allowance for life. Marriage or California state registration of domestic partnership must have occurred one year prior to member's retirement.
  - If one of the numbered retirement options was elected: Benefit paid to beneficiaries will be based upon the option chosen.

11. What if I die before meeting the prospective Plan D member service credit requirement and/or before I am eligible to retire?

If you transferred prospectively to Plan D and die prior to meeting the disability application eligibility requirements listed in Prospective Plan Transfers (pg. 2), your surviving spouse or California state registered domestic partner will not be eligible for a monthly survivor allowance.

12. What if I die before completing the disability retirement application process?

In the event of a pre-retirement death, your spouse, California state registered domestic partner, minor child, or estate may continue the application to seek any earned but unpaid funds.

Death benefits in the form of a lump sum or continuing monthly allowance may be payable depending on your length of service and whether the death was service- or nonservice-connected.

13. If I do not have a spouse, California state registered domestic partner, or minor children, who will receive my continuance?

In the event of a pre-retirement death when the estate is other than a spouse, California state registered domestic partner, or minor child, the estate is limited to the retirement funds owed the member. A continuing benefit may not be paid to an estate or designated beneficiary.

14. If I injure myself while working under the salary supplement provision, do I need to reapply for disability retirement?

No, you are not required to reapply for disability retirement if you injure yourself while working under the salary supplement provision. You may elect to terminate service at any time and receive your full disability retirement benefit.

15. My workers' compensation physician has not declared me permanent and stationary. Can I still apply?

Yes. The workers' compensation system is completely separate from LACERA. It is possible for someone to be deemed permanently incapacitated from performing work under the County Employees Retirement Law of 1937 even while their workers' compensation claim is pending.

16. May I cancel my disability retirement and return to work for the County of Los Angeles after I am found to be disabled?

If the BOR has determined you are disabled, you must provide medical evidence stating you can return to full, unrestricted duties before the BOR can consider your cancellation request. In addition, you must be under the age of 55 and your department must agree to return you to work.

17. I have been asked to return to work under the 120-day provision. Do I need to be reexamined by a LACERA panel physician?

No, you are not required to be reexamined by a LACERA panel physician when returning to work under the 120-day provision. However, the duties performed under the 120-day provision must comply with any medical restrictions related to your disability retirement.

18. I have multiple injuries and illnesses. What should I apply for?

You may apply for any and all permanently incapacitating conditions that prevent you

from performing your usual duties. A physician statement from the appropriate medical specialist must be submitted for each incapacitating condition.

19. I have already been approved for Social Security benefits and workers' compensation. Will I automatically be approved for a disability retirement?
No. Approval for Social Security benefits or workers' compensation benefits due to permanent disability do not have a bearing on your application for a disability retirement with LACERA. The laws under which Social Security and workers' compensation determine eligibility for benefits under their respective programs are different than those governing LACERA.

20. My doctor says I will be able to return to work after a short recovery period. Can I receive disability retirement benefits while I recuperate?
No. You must be permanently incapacitated to receive disability retirement benefits.

21. My department wants to conduct an interactive process meeting to discuss my options. Can I request that a LACERA Disability Retirement Specialist be present?
Yes. Contact LACERA at 800-786-6464 and ask to speak to Disability Retirement Services.

22. Who can I call if I have more questions?
Call LACERA at 800-786-6464 with any additional questions.

Prior to submitting your application to LACERA please review the checklist below.

To apply for disability retirement benefits, the following documents must be fully completed and filed with LACERA's Disability Retirement Services Division:

- ☐ **Application for Disability Retirement**

  To be completed by member, attorney, or authorized representative

- ☐ **Physician Statement for Disability Retirement**
  - All medical conditions for which you are claiming permanent disability must be supported by a Physician Statement. We will not accept your application for disability retirement for any conditions not supported by a Physician Statement.
  - Your treating or examining physician should state clearly that you are **permanently incapacitated** for the performance of your job duties.
  - If you are applying for multiple conditions in different medical specialties, please submit a **separate** Physician Statement for each specialty. Your physician should not certify medical conditions that are not within his/her specialty.
  - The physician statement **must be signed no more than six months** before the application is filed and accepted by LACERA.
  - Physician Statements received that indicate a temporary or partial incapacity or are not dated within six months will be rejected.

- ☐ **Authorization for Release of Medical, Psychological, Employment Records and Information, and Workers' Compensation Records**
  - Please complete Section A and read, sign, and date Sections B, C, and D.

- ☐ **Claims Against Third Parties Form**
  - Please read the entire form then complete either Section 1 or Section 2, **whichever applies**, and complete, sign, and date Section 3.

- ☐ **Missed Medical Appointment Form**

- ☐ **Notice of Attorney Representation Form,** if applicable

- ☐ **Application for Supplemental Disability Allowance,** if applicable

- ☐ **Power of Attorney/Conservatorship,** if applicable

Notes

Your Disability Retirement Guide

Disability Retirement

A Step-by-Step Guide

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

LACERA
300 N. Lake Avenue | Pasadena, CA 91101
lacera.com
Business: 626-564-6000
Retirement Information: 800-786-6464