COLORADO PERA
DISABILITY PROGRAM

Includes Colorado PERA Forms:
Disability Program Application
Authorization to Obtain Information

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HOW COLORADO PERA'S DISABILITY PROGRAM WORKS

If you encounter an unexpected illness or injury, Colorado PERA's disability program can help

Eligible PERA members have automatic access to PERA's disability program and there's no cost to you—it's an included benefit. This program is in addition to any other coverage you may have through your employer. Please review this booklet for complete details on PERA's disability program.

You have a 90-day deadline to apply

You must apply within 90 days of your termination from your employer. But, you don't need to wait to apply until you leave employment. You can apply while you're working, on a leave of absence, or receiving workers' compensation or disability benefits from your employer's plan. As a result of your condition, you must experience a loss of 25% of your predisability earnings.

You must have at least five years of earned PERA service credit

The law requires a member to have at least five years of earned service credit in the PERA Defined Benefit Plan, at least six months of which are in the most recent period of membership.

You can apply by sending your application to PERA

The *Disability Program Application* is in the back of this booklet and is also available on PERA's website at copera.org.

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DISABILITY PROGRAM OVERVIEW

Colorado PERA members with five or more years of earned service credit are covered by a two-tier disability program consisting of a short-term disability (STD) program and a disability retirement benefit. The Disability Program Administrator, Unum, makes the medical determinations for the program and provides STD coverage through an insurance policy.

If you believe you may qualify for STD or disability retirement, you must submit a *Disability Program Application* to PERA as soon as possible, but no later than 90 days following your date of termination of employment. Your date of termination from employment is the last day you receive salary on which PERA contributions are withheld, or the last day of an employer-certified leave, whichever is later.

Deadline for Application

State law requires that you must submit a *Disability Program Application* to PERA within 90 days after you terminate employment. Applications received after that deadline cannot be accepted.

You should review this booklet and discuss with your employer its policies regarding leaves of absence, returning to work at a later date, and retirement. If you have other short-term or long-term disability coverage available through your employer, you should also apply for those benefits as soon as possible.

Short-Term Disability (STD)

The goal of the STD program is to help you return to work as soon as practical to your previous job or another job. However, your employer is not obligated to hold a position open for you beyond applicable federal and state requirements. While on STD, some employers may allow their employees to go on an approved leave of absence; other employers may terminate employment at some point.

For STD, the requirements include the following:

- Your medical condition prevents you from performing the essential functions of your job with reasonable accommodation as required by federal law;
- You are medically unable to earn 75% of your predisability earnings from PERA-covered employment from any job given your existing education, training, and experience;
- You may be helped by vocational rehabilitation and retraining; and
- You are not totally and permanently medically incapacitated from regular and substantial gainful employment.

STD may provide reasonable income replacement and vocational rehabilitation after you have been unable to work for 60 days. STD lasts up to a maximum of 22 months. The maximum income replacement is 60% of your predisability earnings. The amount paid under the STD plan may be reduced by other income, as described later. See page 3 for more information.

Other Disability Coverage

If you do not have five years of earned service credit under PERA, contact your employer for any disability coverage available from your employer.

If you have 40 or more quarters of work under Social Security, contact Social Security about disability benefits.

Disability Retirement

The goal of disability retirement is to provide you with income if you are not able to work and are not expected to recover.

For disability retirement, the requirements include the following:

- Your medical condition prevents you from engaging in any regular and substantial gainful employment;
- You are medically unable to earn 75% of your predisability earnings from PERA-covered employment from any job for which you are or could be educated or trained; and
- You are totally and permanently incapacitated and are not reasonably expected to recover from your disabling medical condition.

The benefit is based on your Highest Average Salary (HAS) and service credit. The monthly benefit continues as long as you continue to be totally and permanently incapacitated from regular and substantial gainful employment.

Earnings refers to your PERA-includable salary on which PERA contributions are made and may exclude payments to a Section 125 flexible spending account plan and other payments not typically made throughout your employment. See the *PERA and Section 125 Plans* fact sheet for details.

APPLICATION AND DISABILITY DETERMINATION PROCESS

Eligibility Requirements to Apply

You may apply for the disability program if you meet all of the following requirements listed below as specified in State law:

1. You have five or more years of earned service credit, with at least six months of this credit earned in the most recent membership period. A purchase of service credit based on a previously rolled over/refunded DB Plan account and a purchase of service credit for employment not covered by PERA does not count toward this five-year requirement.
   - If you have a DB Plan account under both the DPS and the PERA benefit structures, you must have five years of service credit in the chosen benefit structure in order to apply for PERA's disability program.
   - If your membership status allowed you to exercise portability between the DPS benefit structure and the PERA benefit structure and you have a frozen DB Plan account, you are not eligible for disability benefits based on the frozen DB Plan account. Also, your service credit in the frozen DB Plan account cannot be used toward your five years of service credit in order to make you eligible to apply for disability benefits.
   - If you are a Judicial Division member, you are eligible to apply for benefits regardless of your amount of earned service credit.
   - If you are a Safety Officer, you are eligible to apply for benefits regardless of your amount of earned service credit if your disability is caused by an on-the-job injury.
2. You are not eligible for service retirement. See the *Your PERA Benefits* or the *Retirement Process* booklets for information on service retirement eligibility.
3. You have not withdrawn your PERA DB Plan account.
4. Your *Disability Program Application* is submitted to PERA no later than 90 days after your date of termination from employment.

Your date of termination from employment is the last day you receive salary on which PERA contributions are withheld, or the last day of an employer-certified leave, whichever is later.

How to Apply for the Disability Program

To apply for PERA's disability program, you may log in to your PERA account on copera.org and complete the forms online or complete the forms on pages 13 and 14 of this booklet and mail them to PERA. You should apply as soon as possible after your medical condition prevents you from working. However, in all cases, the *Application* must be received by PERA no later than 90 days after termination of PERA-covered employment, as required by State law.

Upon receipt of your *Application*, PERA will review your records to determine if you meet the program's eligibility requirements. If you meet these requirements, PERA will notify you in writing and send your *Application* to Unum (the Disability Program Administrator) for medical review. At this point, you will work directly with staff at Unum to complete the process.

Medical Review

The *Disability Program Application* includes a mandatory release authorizing Unum to obtain and review various medical, employment, and other reasonable information to evaluate whether you qualify for either STD or disability retirement.

During the medical review process, Unum may refer you to one or more impartial physicians and other specialists for evaluation. Unum pays for these examinations.

All requirements of the disability program must be satisfied before any payment will be made. If you fail to provide Unum with requested employment, medical, and other reasonable information, or you do not undergo reasonable examinations by physicians or rehabilitation, vocational, or other experts, your *Application* may be discontinued and your payments may be stopped. Information requested by Unum must be provided within time limits as specified by Unum.

Based on its review of all of this information, Unum will determine if you are eligible for the disability program and make one of the following decisions:

- You are eligible for STD and will begin receiving STD payments from Unum.
- You are eligible for disability retirement and will begin receiving a monthly benefit from PERA.
- You do not qualify for either STD or disability retirement and will not receive any payments.

You may not be paid for both STD and disability retirement for the same period of time.

You may cancel your *Application* prior to the first payment by submitting a written request to PERA. If you cancel then reapply for the disability program at a later date, you must satisfy the eligibility requirements to apply as of the later date of your reapplication. Payments for either STD or disability retirement will stop if you do not continue to qualify for them.

Voluntary Termination of Disability Benefits

If you choose to voluntarily terminate your receipt of STD payments or disability retirement, any subsequent STD payments or disability retirement benefits would be contingent upon meeting the disability program eligibility requirements referenced in this booklet and the medical determination by Unum.

SHORT-TERM DISABILITY (STD)

STD insurance is intended to provide reasonable income replacement payments and rehabilitation for you if you qualify. To receive STD payments, you must satisfy the 60-day waiting period. STD payments last for a maximum of 22 months. Any payments begin after Unum has determined you qualify for STD.

Unum may require you to provide certain proof of loss information in this process. This information should be provided to Unum within the time limits as specified by Unum.

60-Day Waiting Period

The waiting period for benefits is 60 consecutive calendar days after the day your disability begins. Your disability must continue during this period.

However, you may be able to meet this 60-day waiting period while working part-time if you are disabled. Also, you may temporarily return to work for up to 30 days during this waiting period, if approved by Unum; however, your disability must continue to be from the same medical condition. The days you have temporarily returned to work will not count as part of the 60-day period nor will they cause the waiting period to start over, but they will extend the 60-day period by the number of days you work.

STD Medical Standards

For STD, Unum must determine that, as a result of your medical condition, you meet the following three requirements:

1. You are medically incapacitated from performing the essential functions of your own job with reasonable accommodations as required by federal law. Working an average of more than 40 hours per week is not an essential function.
    - "Essential functions" include types of material duties that you were regularly performing prior to disability if such duties cannot be reasonably modified or omitted.
    - "Your own job" means any employment, business, trade, or profession that involves essential duties of the same general character as the job you are regularly performing for the employer when disability begins. Unum will look not only at the way you perform your job for the employer, but also at the way the occupation is generally performed for other employers within the state of Colorado.
2. You are medically unable to earn at least 75% of your predisability earnings from PERA-covered employment in any job you are able to perform, based on your education, training, and experience, regardless of whether you do so. (This is based on medical ability to earn from employment and self-employment, but not from passive investment sources, such as interest on a savings account.)
3. You are not totally and permanently incapacitated from all regular and substantial gainful employment. If your incapacity is total and permanent, you will not receive STD payments, but you may be eligible for disability retirement benefits.

This determination is based on your ability to work, not whether you actually work.

The medical condition causing the disability:

- Must be physical, mental, or a combination of both;
- Must be under ongoing appropriate treatment by a physician with the appropriate specialty; and
- Must exist prior to when you terminate your PERA-covered employment.

Exclusions

No STD payments will be made if your disability is the direct result of any intentionally self-inflicted injury.

STD Income Replacement Payments

PERA will provide salary information to Unum, who will determine the income replacement amount payable for STD and will pay that amount to you. The maximum monthly amount of your STD payment will be 60% of your average monthly predisability PERA-includable salary. This is based on the 12 consecutive calendar months immediately preceding your last full day on the job prior to the 60-day waiting period.

However, this 60% maximum may be reduced based on coordination of benefits so the total of your STD payments and various other payments you receive or are eligible to receive (referred to as deductible income) do not exceed 100% of your average monthly predisability earnings from PERA-covered employment. If total payments would exceed 100%, your STD payments from the disability program will be reduced to reach the 100% maximum.

For this purpose, deductible income includes the following:

- Sick and annual leave pay or other salary continuation paid to you by the employer.
- Work earnings and any amount in your predisability earnings that you are eligible to receive while STD payments are payable.
- Payments under a workers' compensation or similar law.
- Payments under FAMLI from either the state or the employer's alternative plan (self-insured or private plan)
- Benefits received due to a disability under automobile insurance.
- Unemployment compensation.
- Any amount received to resolve a back pay claim.
- Any amount received by compromise, settlement, or other method as a result of a claim for any of the above deductible income amounts.

You must pursue all deductible income to which you may be eligible. If you do not pursue the deductible income, Unum may reduce your STD payments by an amount it estimates you would be eligible to receive.

If you receive an amount of deductible income that is attributable to more than one month, Unum will reasonably allocate this total so it can determine any STD payment on a monthly basis.

Example: A member's average monthly predisability PERA salary is $1,000 and this member qualifies for both workers' compensation benefits of $66^{2}/_{3}$% of predisability income and STD payments of 60% of average predisability PERA salary. Because the total of these two benefits is greater than 100% of average monthly predisability salary, STD payments are reduced to $33^{1}/_{3}$% of predisability salary.

For this purpose, deductible income does not include the following:

- Benefits from any individual disability insurance policy.
- Benefits from any group disability insurance policy provided by your employer.
- Benefits from any group credit or mortgage disability insurance.
- Reimbursement for hospital, medical, or surgical expenses.
- Any cost of living increase in any deductible income other than work earnings if the increase is effective while you are disabled and eligible for the deductible income.
- Reasonable attorney fees incurred in connection with a claim for deductible income.
- Accelerated death benefits paid under a life insurance policy.
- Benefits from any thrift, savings, IRA, 401(k), 408(k), 457, or 403(b) plan.

Rehabilitation

Unum may determine that you qualify to participate in a vocational rehabilitation or training plan. You may also request that Unum establish a rehabilitation program for you, but Unum has final authority whether or not to approve your request.

This rehabilitation or training is intended to help you to return to your job or to prepare you for another job. If you fail to participate in good faith in your plan, all payments under STD will be terminated and your *Disability Program Application* will be canceled.

Some or all of your expenses incurred in connection with your participation in the rehabilitation plan may be paid by Unum. Also, Unum may assist you in finding a job if you will not be re-employed by your employer, but there is no assurance that you actually will be employed after STD ends.

Reasonable Accommodation

In some instances, after you have qualified for STD, Unum may reimburse your employer for some or all of the costs for reasonable accommodation so you may return to your job or return to work in any occupation. The maximum reimbursement is $5,000. Unum must approve this reasonable accommodation cost in writing before the reasonable accommodation is made.

Maximum Payment Period

STD payments may be paid to you for up to the first 22 months of disability after you complete the 60-day waiting period. The initial payment will be paid one month after the end of the waiting period. Payments will end sooner if your disability ends. During this maximum payment period, you may temporarily return to work up to 90 days, if approved by Unum, without requiring a new 60-day waiting period; however, your disability must continue to be from the same medical condition.

Overpayment of STD

Unum will notify you of any overpayment and you must immediately repay any overpayment. Failure to repay may result in collection, offset, or other legal remedies to recover the overpayment.

When STD Ends

Your STD benefits will end on the earliest of the following:

- Date you are no longer disabled.
- Date the maximum payment period ends.
- Date you become eligible for PERA service retirement (except for Judicial Division members).
- Date you do a rollover/refund of your PERA DB Plan account.
- Date of your death (any payments remaining unpaid will be paid to your estate).
- Date you satisfy the medical standard for disability retirement benefits. You will be evaluated based on your prior application to determine if you qualify for disability retirement. If Unum determines that your medical condition satisfies this medical standard for disability retirement while you are receiving STD, your STD will end and you will be considered for disability retirement.
- Date you fail to fulfill an STD requirement, such as a re-examination or to provide requested information, or when you fail to participate in good faith in your medical treatment, rehabilitation, or retraining approved by Unum.
- Date benefits become payable under any other group disability insurance policy under which you become insured during a period of temporary recovery employment, except for one by a PERA employer.
- Date you do not qualify for STD for any reason.

You are required to notify Unum immediately in writing as soon as you no longer qualify for STD payments. If you should die while receiving STD, a relative or your estate administrator should notify PERA and Unum within 30 days of your death.

Receiving STD Benefits

PERA Membership

PERA contributions are not made on STD payments. However, if you are on a paid PERA-covered leave of absence from your PERA employer or if you return to PERA-covered work temporarily, PERA contributions will be deducted from your pay.

While receiving STD payments, your PERA membership will continue provided you are not terminated from PERA-covered employment. If you remain employed, have your employer complete and send to PERA a *Certification of Leave of Absence* form to protect your membership rights. Your PERA membership will terminate if your employment terminates, if you retire, do a rollover/refund of your PERA DB Plan account, or die. See "After STD Ends" below.

Life Insurance

If you are enrolled in PERA's life insurance program prior to your disability, you may continue the coverage while receiving STD payments. If you are on a paid leave of absence, your employer will continue to deduct your life insurance premiums. If you are not receiving pay from your employer, contact Unum at 866-277-1649 for information on making premium payments. Premiums cannot be deducted from your STD payments.

PERACare Health Benefits Program

STD recipients are eligible to participate in the PERACare Health Benefits Program. If you choose to enroll, your enrollment must be received by PERA no later than 30 days after your first benefit payment is issued or at other times as specified by the PERACare Health Benefits Program. PERA will send you summary information about PERACare when you are approved for STD. If you would like detailed plan and enrollment information for PERACare, contact PERA's Insurance Division at 303-863-3877.

If you enroll in PERACare, you will pay your premium by automatic deduction from your bank account. Since you are not a PERA benefit recipient, you are not eligible to receive PERA's subsidy toward your PERACare premium.

You should also check with your employer about continuing your health care coverage through your employer's insurance while you are receiving STD payments.

Taxes on STD Payments

STD payments are subject to federal and state income tax laws since you do not pay premiums for the coverage. When your *Disability Program Application* is approved, Unum will provide you with income tax withholding information and make deductions as you direct. If you are subject to Medicare tax or other taxes, they also will be withheld from your STD payment.

PERAPlus 401(k) and 457 Plans

If you have a PERAPlus 401(k) and/or 457 Plan account at the time of your disability, you may continue participation in those Plans. No contributions can be made from STD payments, but contributions can be made from any salary, such as temporary work for your employer. If your employer terminates your employment, you are eligible to withdraw your PERAPlus 401(k) and/or 457 Plan accounts provided that you are not employed by any other PERA employers. If you would like to withdraw your PERAPlus 401(k) and/or 457 Plan account, call Empower at 833-4-COPERA.

After STD Ends

PERA Membership

If you return to work in a PERA-covered position, you begin earning service credit again and contributions will be made to your PERA DB Plan account.

If you do not return to PERA-covered employment, you will become an inactive member. You will be eligible to receive a future retirement benefit or a rollover/refund of your DB Plan account. The amount you receive in STD payments is not deducted from your DB Plan account. If you are participating in the PERA life insurance program, you may continue as long as you do not do a rollover/refund of your PERA DB Plan account.

In the event of your death, under certain circumstances, survivor benefits may be payable. If you were still employed by your employer and on a certified leave of absence, monthly benefits may be payable to your qualified survivors. If survivor benefits are not payable, your named beneficiary will receive a lump-sum payment based on your PERA DB Plan account.

DISABILITY RETIREMENT

Disability retirement is intended to provide you with monthly benefits if you are, due to a medical condition, totally and permanently disabled from engaging in any regular and substantial gainful employment. This monthly benefit continues as long as you remain unable to engage in regular and substantial gainful employment because of your medical condition.

Medical Standard

For disability retirement, Unum must determine that:

- You are, because of your medical condition, totally and permanently mentally or physically incapacitated from regular and substantial gainful employment.
- Your medical condition is being treated to the extent appropriate by a physician with the appropriate specialty.
- You are not reasonably expected to recover from the disabling medical condition.
- Your medical condition must prevent you from engaging in any work for which you could earn 75% of your predisability earnings from PERA-covered employment in any job within the state of Colorado that you are able to perform based on your education, training, and experience, regardless of whether you do so.
- These predisability earnings are based on the 12 consecutive calendar months immediately preceding your last full day on the job. This means that you are unable to perform the essential functions of any job with reasonable accommodation. (This is based on medical ability to earn from employment and self-employment, but not from passive investment sources, such as interest on a savings account.)
- Your medical condition existed as of the date of your termination of employment.

Disability retirement benefits will not be approved for any disability that is the direct result of any intentionally self-inflicted injury.

A member is not covered for any disability that arises from uniformed service in the armed forces.

The disability retirement determination is based on your ability to work, not whether you actually work.

You may be on a leave of absence while your *Disability Program Application* is being processed or in some cases, as determined by Unum, perform part-time work. If it is determined that you qualify for disability retirement, PERA will advise you when your employment must terminate.

Effective Date of Disability Retirement

The effective date for disability retirement is the first day of the month following termination of employment if you are not receiving STD payments.

You must terminate employment with all PERA employers no later than the last day of the month following the determination that you qualify for disability retirement benefits. If you fail to terminate by that date, your *Application* will be canceled.

If you are receiving STD payments and it is determined that you qualify for disability retirement, the effective date shall be the later of (1) the first day of the month following termination of employment or (2) the first day of the month in which your STD ends. If you receive an STD payment after the effective date of disability retirement, the amount of the disability retirement benefit for that same month will be reduced by the STD amount paid.

Disability Retirement Benefit Amount

PERA will determine the amount of your disability retirement benefit by calculating it in a manner similar to calculations for service retirement benefits. PERA will multiply 2.5% of your HAS by your years of earned and purchased service credit plus projected service to either 20 years or to age 65, whichever is earlier. If you have more than 20 years of earned and purchased service credit, your benefit will include an additional 2.5% of HAS for each year over 20 based upon your earned and purchased service credit only.

Exception: If you are a Judicial Division member, your service credit will be projected to the end of the term of office in which you were serving at the time the disability began.

Disability retirement benefits are not coordinated with (reduced by) other payments except for amounts received to resolve back pay claims. However, other programs may reduce their payments to you if you receive disability retirement or other benefits.

Option Selection

Regardless of whether you are under the PERA or DPS benefit structure, you have the following benefit options for your disability retirement benefit:

- **Option 1:** This option provides you with a lifetime monthly benefit. Following your death, a single payment of any remaining balance in your DB Plan account, plus a 100% match on the balance, will be made to your named beneficiary, or your estate if no named beneficiary exists. No further monthly benefits are payable.
- **Option 2:** This option provides you with a lifetime monthly benefit. Following your death, your cobeneficiary will receive a lifetime monthly benefit equal to one-half your benefit at the time of your death. If there is a DB Plan account balance remaining after the death of your cobeneficiary, a single payment of any remaining balance in your DB Plan account, plus a 100% match on the balance, will be made to your named beneficiary, or your cobeneficiary's estate if no named beneficiary exists. No further monthly benefits are payable.
- **Option 3:** This option provides a lifetime monthly benefit. Following your death, your cobeneficiary will receive a lifetime monthly benefit equal to the monthly benefit you were receiving at the time of your death. If there is a DB Plan account balance remaining after the death of your cobeneficiary, a single payment of any remaining balance in your DB Plan account, plus a 100% match on the balance, will be made to your named beneficiary, or your cobeneficiary's estate if no named beneficiary exists. No further monthly benefits are payable.

Benefits under Options 2 and 3 are calculated the same as Option 1, then reduced to pay for continuing monthly benefits to your cobeneficiary. The factors used to calculate Option 2 or 3 benefits may change whenever actuarial assumptions are changed. If you select Option 2 or 3 and your cobeneficiary dies before you, your benefit amount will increase to the Option 1 amount.

The new benefit amount will be effective on the date of your cobeneficiary's death. You must report the death of your cobeneficiary to PERA for the increase to become effective.

Death Before Receiving Benefits

Benefits to your qualified survivors or a single payment to your named beneficiary(ies) may be payable according to state law, under either of the following circumstances:

- If you should die after you have applied for disability, but before it is determined that you qualify for disability retirement, or
- If you should die after you have applied for disability, but before the effective date of disability retirement.

Under these circumstances, disability retirement benefits will not be paid. See the *PERA Survivor Benefits* booklet or call PERA for detailed information.

Named Beneficiary: The person(s) or entity you designate to receive a lump-sum payment of any remaining moneys credited after all monthly benefits have been paid to you and your cobeneficiary (if a cobeneficiary has been named).

Cobeneficiary: The person you designate under Options 2 or 3 to receive a continuing monthly benefit after your death. You may name only one cobeneficiary and your selection is irrevocable unless certain conditions apply. See page 9 for more information.

Termination of Disability Retirement

Disability retirement benefits to you will end on the earliest of the following:

- Date you are no longer disabled.
- Date you fail to participate in a re-examination or to provide requested information to Unum.
- Date of your death (if you designated a cobeneficiary under benefit Option 2 or 3, benefits will continue to that person).
- Date you no longer qualify for disability retirement for any reason.

You are required to notify PERA in writing as soon as you no longer qualify for a disability retirement benefit. If you die while receiving a disability retirement benefit, a relative or your estate administrator should notify PERA within 30 days of your death.

When Unum determines that you no longer qualify for disability retirement benefits, you have the following options, which include:

- Return to PERA-covered employment and earn additional service credit in anticipation of retiring later with a service retirement benefit. (You would return with the number of earned and purchased years of service credit you had before you began disability retirement, but not any projected service.)
- Elect to do a rollover/refund of your DB Plan account if you do not return to PERA-covered employment, in lieu of future retirement benefits, provided any balance remains after the reduction for all disability retirement benefits.
- Apply for a reduced or service retirement when you qualify either immediately or at a future date. The benefit will be calculated using your earned and purchased service credit, but not any projected service credit used in determining the disability retirement benefit.
- Be eligible for STD payments, but only if you (a) initially satisfied all of the requirements for STD except the medical standard, (b) you continue to satisfy all of the STD requirements, and (c) you have received disability retirement benefits for less than the maximum STD payment

period. In this case, STD payments may be paid to you, but only for any months remaining after reducing the maximum 22-month STD payment period by the number of months you were paid disability retirement benefits.

If you die after disability retirement benefits have been terminated, survivor benefits or a single payment of your remaining DB Plan account balance is payable to your beneficiaries or estate according to State law.

Overpayment of Disability Retirement Benefit

PERA will notify you of any overpayment of your benefit, and you must immediately repay any overpayment, usually by benefit offset. Failure to repay may result in collection, offset, or other legal remedies to recover the overpayment.

First Benefit Payment

Benefit payments are made on the last business day of each month. Your first disability retirement benefit payment will be issued, at the earliest, on the last business day of the month of your effective date of retirement.

Changing Your Cobeneficiary or Benefit Option

You may change your benefit option or cobeneficiary within 60 days following the issuance of your initial disability retirement benefit. After 60 days, you may change your benefit option only under certain circumstances as noted below:

Marriage and Civil Union

» If you elect an Option 1 benefit and were not married at the time of retirement, and you later marry or become a partner in a civil union, you may name your new spouse as cobeneficiary and select an Option 2 or 3 retirement benefit.

» If you elect an Option 2 or 3 benefit at retirement with your spouse (through marriage or civil union) as cobeneficiary and your spouse dies, upon remarriage you may name your new spouse as cobeneficiary and select Option 2 or 3.

Divorce

» If you elect an Option 2 or 3 benefit at retirement with your spouse (through marriage or civil union) as cobeneficiary and you later divorce, you may change your cobeneficiary but not the option you selected, provided a change of cobeneficiary is ordered or allowed by a district court with jurisdiction over the divorce action.

» If you elect an Option 2 or 3 benefit at retirement with your spouse (through marriage or civil union) as cobeneficiary and you later divorce, you may remove your cobeneficiary (and not name a new cobeneficiary), which causes you to revert to an Option 1 benefit. You may do this only if you meet the following conditions:

- You retired on or after July 1, 1988;
- You divorced on or after July 1, 2003; and
- You were ordered or allowed by a district court with jurisdiction over the divorce action to remove your former spouse (through marriage or civil union) as cobeneficiary.

Working After Retirement

Your disability retirement benefit is based upon your inability to perform any regular and substantial gainful employment. Any work after retirement must be coordinated with Unum and may prompt a re-evaluation of your disabling condition. If it is determined that you are medically able to earn 75% of your predisability earnings, your disability retirement benefit may end.

If you work for a PERA employer while on disability retirement, you are subject to the 110-days/720-hours work limit and must pay the working retiree contribution. For more information, see the *Working After Retirement* booklet, available on PERA's website at copera.org.

Automatic Adjustment Provision

The automatic adjustment provision responds to economic or demographic events that could cause a deviation in the path toward full funding, which helps ensure long-term fund stability. The automatic adjustment has four components: member contributions, employer contributions, State direct distribution, and the AI. If PERA is behind its funding goal, member and employer contribution rates will increase and the AI percentage will be reduced. The allocation from the State budget could increase but will not exceed $225 million.

This provision also allows for decreases in member and employer contribution rates, a decrease in the direct distribution, and increases in the AI when the fund has a positive experience and is ahead of schedule on reaching full funding.

Specific to the AI:

» If PERA is ahead of schedule on reaching the full funding goal, the AI percentage paid to eligible benefit recipients can be increased by up to 0.25% in one year, not to exceed a cap of 2.0%.

» If PERA is behind schedule on reaching the full funding goal, the AI percentage paid to eligible benefit recipients can be decreased by up to 0.25% in one year, not to be reduced below a floor of 0.5%.

Annual Benefit Increases

Currently, the plan provides annual increases (AI) to your disability retirement benefit. You must wait three years from your retirement date before you are eligible for an AI. For all benefit recipients, the AI is paid in July.

There are differences in the AI amount depending on when you began membership and the benefit structure from which you are retiring.

PERA Benefit Structure Members Who Began Membership on or Before December 31, 2006, and Retirees Under the DPS Benefit Structure

The AI amount will be 1.0%, subject to change with the automatic adjustment provision (see page 9).

PERA Benefit Structure Members Who Began Membership on or After January 1, 2007

The AI will be the lesser of 1.0%, subject to change with the automatic adjustment provision (see page 9), or the average of the monthly CPI-W amounts for the prior calendar year In no case can the sum of the AIs paid to a division's benefit recipients exceed 10% of the divisional AI reserve.

Taxes on Disability Retirement Benefits

Your entire benefit is fully taxable until you reach "minimum retirement age." PERA uses the age at which you would first be eligible for reduced service retirement as minimum retirement age. Upon reaching minimum retirement age, the Simplified Method calculation is used to determine the tax-free portion of your benefit, if any, so you may recover any contributions made on an after-tax basis without paying taxes on them a second time.

If you are under age 65 and totally disabled, you may be eligible for a special federal income tax credit. To determine if you quality for the credit, contact the IRS and request a copy of Schedule "R" (Form 1040) and Publication 524, *Credit for the Elderly or Disabled*.

Colorado law excludes from Colorado state income tax total pension income up to $20,000 per year per person for those retirees age 55 through 64, or $24,000 for those retirees age 65 and over. The retiree's age on December 31 is used to determine the exclusion amount for that year. Pension income includes PERA benefits, Social Security payments, certain other retirement pensions, and distributions from Individual Retirement Accounts and tax-deferred savings plans.

If you are approved for disability retirement, PERA will send you tax withholding information and the *Taxes on PERA Benefits* booklet.

PERACare Health Benefits Program

Disability retirees and their eligible dependents may participate in the PERACare Health Benefits Program. PERA will subsidize a portion of your monthly premium if you are enrolled in a PERACare health plan. The subsidy is based on the number of years of service credit used to calculate your disability retirement benefit. After you are approved for disability retirement, PERA will send you information about PERACare.

The following is a list of times when you may enroll in PERACare:

- No later than 30 days after your first benefit payment is issued.
- At the end of your health care coverage through your employer.
- At the end of COBRA coverage.
- During the PERACare open enrollment period.
- When you or one of your dependents reach age 65.
- At other times as authorized by PERA.

If you enroll in PERACare at any time other than when you are first eligible or during an open enrollment period, you must complete and return a *Certification of Previous Health Care Coverage* to acknowledge that you had continuous health care coverage prior to joining PERACare. Call PERA or go to PERA's website at copera.org to obtain this form.

Life Insurance

If you are enrolled in the PERA life insurance program and begin receiving disability retirement benefits, your Unum premium will be deducted from your monthly benefit unless you advise PERA in writing to cancel your coverage.

If you are not receiving pay from your employer while your *Disability Program Application* is being processed, you may contact Unum at 866-277-1649 for information on making premium payments.

PERAPlus 401(k) and 457 Plans

If you have a PERAPlus 401(k) and/or 457 Plan account at the time of your disability retirement, you may continue participation in those Plans; however, no further contributions to your account can be made from your disability retirement benefit. If you return to work for a PERA employer, you may make contributions to your PERAPlus 401(k) or 457 Plan (if your employer offers the PERAPlus 457 Plan), including Roth contributions, if applicable, from any post-retirement salary. *Note:* Any work after retirement may prompt a re-evaluation of your disabling condition and your disability benefit may end.

After termination of employment, you are eligible to withdraw your PERAPlus 401(k) and/or 457 Plan accounts. If you would like to withdraw your PERAPlus 401(k) and/or 457 Plan account, call Empower at 833-4-COPERA.

DISABILITY PROGRAM APPEALS

Two types of appeals are available to disability applicants depending on the nature of the issue. Appeals of matters determined by PERA are to be made to PERA; appeals of matters determined by Unum are to be made to the Unum. You must appeal as described below.

Appeals to PERA

PERA determines matters relating to who is eligible to apply for the program, salary, service credit, and the amount payable as disability retirement benefits. PERA staff will inform you in writing if your application is denied because you are ineligible to apply according to State law and will inform you in writing about other matters that PERA determines. If you disagree, you may appeal by writing to PERA's Legal Services Division at appeals@copera.org or mail your request to PERA:

Attention: Appeals
PO Box 5800
Denver, CO 80217-5800

See the *Administrative Appeals* fact sheet on PERA's website for more information.

Appeals to Unum

Unum determines all other matters relating to this disability program, including whether you meet the medical standards for STD or disability retirement.

If you are denied disability due to a medical or other determination by Unum or your payments are terminated, Unum will send you a written explanation of the reason. Unum will send you information about how and when to appeal its denial or other adverse determination. You must appeal in writing to Unum within 180 days after the date the notice of the determination is mailed to you. Your appeal should state your reasons and may include any additional relevant information you have. Unum will review the matter.

Unum's appeal process will also include, upon your request, a second level of review of a medical determination by a panel of independent experts who are qualified based on their expertise and experience and not involved in the original decision. If your first level of appeal is denied and you request this second level of review, your appeal must be sent in writing to Unum within 90 days after the date the first appeal decision is mailed to you.

If you do not receive a written decision from Unum within 45 days after your *Disability Program Application* is received by Unum, you may appeal as if your claim had been denied. Unum may extend this time period twice by 30 days.

You should send your appeal in writing to Unum at the address below:

The Benefits Center
Appeals Unit
PO Box 9548
Portland, ME 04014-5058

You may also fax your appeal to Unum at 1-207-575-2354.

FOR MORE INFORMATION

- For matters determined by PERA, call PERA at 800-759-PERA (7372).
- For matters determined by Unum and applications in process, call Unum at 877-877-5125.

Accessing Your PERA Account

Accessing your PERA account online puts all your PERA information right at your fingertips.

You can see how much money you've contributed so far, estimate your future retirement check, update your contact information, and more.

- To create an online user profile, click the "Member Login/ Registration" button on copera.org. Then click "Register as a new user." You will enter your personal information, verify your identity, and set up your User ID and password.
- You will also be required to enroll in multifactor authentication. With multifactor authentication, you access your information online using your User ID and password and a secure code or push notification sent to your home or mobile phone.
- If you have any questions about accessing your account, please call PERA's Customer Service Center at 800-759-7372.

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COLORADO PERA

Disability Program Application

Colorado Public Employees' Retirement Association
P.O. Box 5800, Denver, Colorado 80217-5800
800-759-PERA (7372) • Fax: 303-863-3727 • copera.org

Important: Colorado PERA must receive this form as soon as your medical condition prevents you from engaging in your regular duties, but no later than 90 days after you terminate employment. Be sure to complete the *Authorization to Obtain Information* on the reverse. **A signature is required on both sides of this form.**

Member Information

Name _____ SSN _____

Address _____
Street City State ZIP Code

Work Phone ( ) _____ Home Phone ( ) _____

Birthdate _____ Sex ☐ Male ☐ Female ☐ Unspecified
mm/dd/yyyy

If Married _____
Name of Spouse Birthdate (mm/dd/yyyy) SSN

Email Address _____ Sign up for electronic delivery of PERA information? ☐ Yes ☐ No

Employment Information

See page 2 for the definition of your date of termination from employment

Employer Name _____ Phone ( ) _____

Address _____
Street City State ZIP Code

Have you terminated employment? ☐ Yes ☐ No Date of termination _____
mm/dd/yyyy

Your Job Title _____ Date of your last full scheduled day at work _____
mm/dd/yyyy

Date you became unable to work as a result of your disability _____
mm/dd/yyyy

Is your disability work-related? ☐ Yes ☐ No Have you filed a worker's compensation claim? ☐ Yes ☐ No

Are you now working or have you worked at your job or any other job since the date of your disability? ☐ Yes ☐ No

Date returned to work _____
mm/dd/yyyy

Illness or Injury

Please attach a separate sheet if necessary

List any physical or mental illness or injury that causes or contributes to your inability to work at your job.

Illness or injury _____ Date first noticed _____
mm/dd/yyyy

Please describe your symptoms: _____

Have you ever had a similar condition before? ☐ Yes ☐ No Date _____
mm/dd/yyyy

Attending Physician(s)

Please attach a separate sheet if necessary

List all physicians consulted for your illness or injury.

1. Physician's Name _____ Phone ( ) _____

Address _____
Street City State ZIP Code

Fax Number _____ Date first consulted for your illness or injury _____
mm/dd/yyyy

Date last consulted _____
mm/dd/yyyy

2. Physician's Name _____ Phone ( ) _____

Address _____
Street City State ZIP Code

Fax Number _____ Date first consulted for your illness or injury _____
mm/dd/yyyy

Date last consulted _____
mm/dd/yyyy

Signature Certification

Any person who knowingly and with intent to injure, defraud, or deceive an insurance company or other person files a statement containing false or misleading information concerning any fact material hereto commits a fraudulent insurance act, which may be subject to civil and/or criminal penalties. Such actions may be deemed a felony, and imprisonment and/or substantial fines may be imposed.

Sign Here → **Member Signature** _____ **Date** _____
mm/dd/yyyy

COLORADO PERA

Authorization to Obtain Information

Colorado Public Employees' Retirement Association
P.O. Box 5800, Denver, Colorado 80217-5800
800-759-PERA (7372) • Fax: 303-863-3727 • copera.org

Be sure to complete the *Disability Program Application* on the reverse. A signature is required on both sides of this form.

Authorization Information

I authorize these persons/organizations having any records or knowledge of me or my health:

- » Any physician, medical practitioner, or health care provider.
- » Any hospital, clinic, pharmacy, or other medical or medically related facility or association.
- » Any insurance company.
- » Any employer or plan administrator.
- » Any organization or entity administering a benefit program.
- » Any educational, vocational, or rehabilitational organization or program.
- » Any consumer reporting agency, financial institution, accountant, or tax preparer.
- » Any government agency (for example, Social Security Administration, public retirement system, etc.).

To provide the following:

- » Charts, notes, X-rays, operative reports, lab and medication records, and all other medical information about me, including medical history, diagnosis, testing, and test results. Prognosis and treatment of any physical or mental condition, including:
  - Any disorder of the immune system, including HIV, Acquired Immune Deficiency Syndrome (AIDS), or other related syndromes or complexes.
- » Any communicable disease or disorder.
- » Any psychiatric or psychological condition, including test results, but excluding psychotherapy notes. Psychotherapy notes do not include a summary of diagnosis, functional status, the treatment plan, symptoms, prognosis, and progress to date.
- » Any condition, treatment, or therapy related to substance abuse, including alcohol and drugs.
- » Any non-medical information requested about me, including such things as: education, employment history, job descriptions, job duties, earnings or finances, or eligibility for other benefits (for example, Social Security Administration, public retirement systems, claim status, benefit amounts, and effective dates, etc.).

To Unum:

I understand that Unum will use the information to determine my eligibility or entitlements under the PERA Disability Program.

I understand and agree that this *Authorization* shall remain in force throughout the duration of my claim for payments with Unum. I understand that I have the right to revoke this *Authorization* at any time by sending a written statement to Unum, and that revocation of the *Authorization,* or the failure to sign the *Authorization*, may impair Unum's ability to evaluate or process my application. Revocation of the *Authorization* may be a basis for denying my claim for payments.

I understand that in the course of conducting its business, Unum may disclose to other parties information it has about me. Unum may release this information about me to a reinsurer, a plan administrator, or any person performing business or legal services for Unum in connection with my application.

I understand that Unum complies with state and federal laws and regulations enacted to protect my privacy. I also understand that the information disclosed to Unum pursuant to this *Authorization* may be subject to redisclosure with my *Authorization* or as otherwise permitted or required by law. (Disability coverage is not subject to the Privacy Rules of the Health Insurance Portability and Accountability Act (HIPAA) and therefore the release of information to Unum is not protected under the Act.)

Signature Certification

I acknowledge that I have read the "Authorization Information" section above and authorize as stated. A photocopy or facsimile of this *Authorization* is as valid as the original and will be provided to me upon request.

Member's Name _____ SSN _____
Please Print

Sign Here ➔ Signature of Member/Guardian/Representative _____ Date _____
mm/dd/yyyy

Unum Authorization

Authorization for Unum to release information to PERA.

This "Unum Authorization" to release information is optional and will not impair your eligibility to obtain PERA disability payments.

I authorize Unum to release information contained in my file, including any of the information identified above, to PERA for the purpose of conducting performance audits for Unum. **I acknowledge that I have read the *Authorization*** and I understand and agree that this *Authorization* shall remain in force for one year from the date of signature. A photocopy of this *Authorization* is as valid as the original.

Member's Name _____
Please Print

Sign Here ➔ (Optional) Signature of Member/Guardian/Representative _____ Date _____
mm/dd/yyyy

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CONTACT PERA

Visit PERA's website at copera.org.

Call PERA's Customer Service Center at 800-759-7372.

Visit the PERA offices in Denver or Westminster.

Send mail to PERA at
PO Box 5800
Denver, CO 80217-5800

Forms and publications can be found on the PERA website. Copies can also be requested by calling PERA's Customer Service Center.

Your PERA membership rights, benefits, and obligations are governed by Title 24, Article 51 of the Colorado Revised Statutes, PERA Rules, and other governing laws, which prevail over any interpretations in this booklet.

5/12 (REV 6-25)