



Disability Retirement Guide

Public Employees' Retirement System of Mississippi



Disability retirement benefits available through the Public Employees' Retirement System of Mississippi (PERS) provide secure income if you become permanently sick or injured while employed in a PERS-covered position and can no longer perform the essential functions of your job.

If you are an inactive member, disability retirement coverage is only extended to you upon proof that the qualifying disability occurred within six months of termination and that the disability was the direct cause of termination from covered employment. However, you must apply within one year of termination from active service. Membership is considered inactive if you are no longer employed in any PERS-covered position and have not retired or received a refund of your contributions.

PERS provides two types of disability retirement benefits: non-duty-related and duty-related.

Non-Duty-Related Disability

To qualify for non-duty-related disability retirement, you must meet the vesting requirement for your Retirement Tier (see PERS Member Handbook). Members are covered for non-duty-related disability retirement in one of two plans:

- **Tiered Disability Plan** - Applicable to members who enter PERS on or after July 1, 1992, and to members employed before July 1, 1992, who elected the Tiered Disability Plan (*details page 14*)
- **Age-Limited Disability Plan** - Applicable to members employed before July 1, 1992, who did not elect the Tiered Disability Plan and who have not received a refund of contributions since July 1, 1992 (*details page 15*)

If you are an inactive member who returns to covered employment then applies for non-duty-related disability retirement within six months, you must be vested at the time of application and must prove that you were physically capable of performing the job at the time of hire.

Duty-Related Disability

You may be eligible for duty-related disability retirement if you become disabled as a direct result of a physical injury sustained from an accident or a traumatic event caused by external violence or physical force that occurred in the performance of official job duties. This coverage begins on the first day of PERS-covered employment. Duty-related disability benefits are the higher of either 50 percent of average compensation (tax-exempt) or the non-duty-related disability amount.

Application Process

Complete and File Application

Complete and file all disability retirement application Phase 1 forms. After receipt of these forms, PERS will mail you a Final Estimate of Benefits along with Phase 2 forms to complete (see page 3).

Gather and Submit Documentation

You are responsible for gathering all documentation to support your claim. A PERS benefit analyst will send periodic checklists during the application process to help you track what is needed. If you are an inactive member, you must furnish additional documentation, including, but not limited to, copies of tax returns and medical records dating from when you terminated employment. If you have terminated employment, you will have 90 days from your effective date of retirement to submit all required documentation. If your termination date is pending, you have 90 days from PERS' receipt of your DSBL 1, *Pre-Application for Disability Retirement Benefits*. Failure to meet the filing deadline will result in your having to re-apply for disability retirement.

Terminate State Service Employment

You must terminate from all positions in state service, whether covered or not, to be eligible for any benefit. You must terminate service within 90 days after approval or your disability retirement and application will be voided. If approved, your effective date of disability retirement will be the first of the month after either receipt of a completed DSBL 1 or actual termination from employment as certified by your employer, whichever is later.



Photo Credit: Celal Tebar

Roles & Responsibilities

You, the Applicant

- Complete all required forms and provide any required medical documentation. Follow up with your employer or medical providers if information regarding your case is not submitted in a timely manner.
- Contact PERS if your status changes and you are able to continue or return to work.
- Make every effort to attend PERS-scheduled doctor's appointments. Failure to submit to any required examination, unless rescheduled, will void your application.

Your Employer

- Completes and submits forms DSBL 1, 2, and 3, which include certifying your job duties and physical requirements, as well as your termination date.
- Certifies whether alternative employment and reasonable accommodations were offered to you as required under the Americans with Disabilities Act.
- For a duty-related disability application, certifies whether the accident or injury occurred while you were performing work-related responsibilities. Submits a copy of the Mississippi Workers' Compensation Commission *First Report of Injury or Illness*.

Your PERS Benefit Analyst

- Keeps you informed of your claim status throughout the application process, provides guidance about required forms and necessary materials, and processes the claim quickly and accurately.
- Makes you aware of options regarding disability or service retirement so that you can make informed decisions regarding benefits.
- Serves as the liaison between you and the Medical Board.

Disability Retirement Forms

The disability retirement application process consists of 10 forms that are completed in two phases, plus, if eligible, an additional form, DSBL 11, *Temporary Benefit Application*, that is completed once all other required forms are completed (see page 11).

If an authorized representative completes the member section of the forms for you, he or she must provide a copy of the durable power of attorney, conservatorship or guardianship papers, or other legal documents as proof of authority.

Critical Deadlines

Your application for disability retirement must be filed within one year of termination from active service. This period may be extended by an additional year if you can factually demonstrate that, throughout your initial one-year period, you were incapable of applying for benefits by reason of mental or physical impairment as certified by a medical doctor.

If you have been approved for a disability retirement allowance and do not terminate service within 90 days after approval, the disability retirement and the application for disability retirement will be voided.

If you have terminated employment, you will have 90 days from your effective date of retirement to submit all required documentation. If your termination date is pending, you have 90 days from PERS' receipt of your DSBL 1. Failure to meet the filing deadline will result in your having to re-apply for disability retirement.

Phase 1 Forms

Forms DSBL 1 through 6 are on the PERS website and must be completed and submitted to begin the retirement process.

- **DSBL 1, Pre-Application for Disability Retirement Benefits** - Captures your information and acknowledgement of the 90-day submission deadline. *Requires employer certification and submission of your birth certificate.*
- **DSBL 2, Employer's Certification of Job Requirements** - Details your employment status, job description, and job requirements. *Requires employer certification.*
- **DSBL 3, Employer's Job Activities Checklist** - Details your job activities. *Requires employer certification.*
- **DSBL 4, Medical Information and Prior Claim History** - Captures your basic medical information and claims history.
- **DSBL 5, Physician and Treating Facility History** - Captures basic information on treating physicians and facilities. *Requires related forms and records (including office notes, discharge summaries, etc.).*
- **DSBL 6, Family Information** - Captures demographic information on your spouse and dependent children.

Phase 2 Forms

Forms DSBL 7 through 10 will be provided by a benefit analyst as needed after you submit all Phase 1 forms.

- **DSBL 7, Statement of Examining Physician** - Captures physician's evaluation of nature and extent of disability. *Requires physician certification.*
- **DSBL 8, Authorization for Release of Information** - Authorizes treating facilities to release your records to PERS. *This form is for you to complete and submit to treating facilities. Do not submit this form to PERS.*
- **DSBL 9, Disability Retirement Application** - Captures your choice of benefit option, your listing of beneficiaries, and your preference to receive any other available benefits while pursuing disability benefits. *Requires birth certificate for each beneficiary, if selecting a joint and survivor option.*
- **DSBL 10, Payroll Authorization** - Authorizes federal tax withholding as applicable and direct deposit of your monthly benefits.

After submitting all Phase 2 forms, your claim will progress to the Medical Board for review (*see page 10*).

Benefit Options

Disability retirement benefit options are the same as service retirement benefit options, except that members retiring under Disability Retirement may not select the Partial Lump Sum Option (PLSO). PERS provides seven base options from which to choose at retirement. (See Base Option Quick Comparison Chart, pages 8-9.)

Upon retirement, you should select the benefit option that best suits your needs and circumstances. All base options will provide you with monthly benefits for life, but the options vary in how benefit amounts are calculated. Furthermore, some options contain special Pop-Up and Pop-Down provisions (see sidebar at right) to allow eligible retirees to change options and beneficiary designations under certain limited circumstances.

PERS' benefit options as follows:

Single Life Annuities with Refund and Pop-Down Provisions

No monthly beneficiary protection

Maximum Retirement Allowance Option

The Maximum Retirement Allowance Option provides the highest possible monthly benefit for life available to you at retirement. This single life annuity is the basic benefit option offered by PERS.

- Monthly benefit payments stop at your death.
- No monthly benefits are payable to any beneficiary.
- If the total monthly retirement benefits paid before your death is less than your contributions and interest, the remainder will be refunded to your designated beneficiaries.
 - » You may name one or more beneficiaries as primary or contingent or to share proportionately any remaining account balance after your death.
 - » There are no restrictions on who you may name as a beneficiary. You may name a person, estate, organization, or trust as beneficiary.
 - » You are not required to name your spouse as a beneficiary.
 - » You may change your beneficiaries at any time.
- If you marry after retirement while receiving benefits under this option, you may apply to Pop-Down to Option 2, Option 4, or Option 4A to provide beneficiary protection for your new spouse. You must apply for this provision within one year of the date of the marriage.

Changing Your Benefit Option after Retirement

Pop-Up Provision

The Pop-Up Provision allows a retiree who selected Option 2, Option 4, or Option 4A to change to the Maximum Retirement Allowance Option if the designated beneficiary predeceases the retiree or if the retiree divorces the designated beneficiary.

Pop-Down Provision

The Pop-Down Provision allows a retiree who selected the Maximum Retirement Allowance Option or Option 1 to change to Option 2, Option 4, or Option 4A to provide beneficiary protection to a new spouse married after the retiree selected the Maximum Retirement Allowance Option or Option 1. The retiree must apply for this provision within one year of the date of the marriage.

Benefit Options

Option 1 - Pro-rated Single Life Annuity

Option 1 provides you with reduced monthly benefits for life compared to what you would receive under the Maximum Retirement Allowance Option because your contributions are pro-rated over your actuarial life expectancy, which could increase the available refund amount for beneficiaries.

- Monthly benefit payments stop at your death.
- No monthly benefits are payable to any beneficiary.
- If there are contributions and interest remaining at your death, that remainder will be refunded to your designated beneficiaries.
 - » You may name one or more beneficiaries as primary or contingent or to share proportionately any remaining account balance after your death.
 - » There are no restrictions on who you may name as a beneficiary. You may name a person, estate, organization, or trust as beneficiary.
 - » You are not required to name your spouse as a beneficiary.
 - » You may change your beneficiaries at any time.

- If you marry after retirement while receiving benefits under this option, you may apply to Pop-Down to Option 2, Option 4, or Option 4A to provide beneficiary protection for your new spouse. You must apply for this provision within one year of the date of the marriage.

Joint and Survivor Annuities with Pop-Up Provision

One beneficiary

Option 2 - 100 Percent Joint and Survivor Annuity

Option 2 provides you with reduced monthly benefits for life compared to what you would receive under the Maximum Retirement Allowance Option so that, after your death, your beneficiary will receive the same monthly amount for life.

- You must name one beneficiary.
- Your beneficiary must be a person, not an estate, organization, or trust.
- You are not required to name your spouse as a beneficiary.
- You may not change your beneficiary once selected unless he or she dies or unless you divorce and your spouse is named as beneficiary. If so, you may apply to Pop-Up to the Maximum Retirement Allowance Option. In the event of a late filing, the recalculation of benefits can be retroactively effective for up to three months if the beneficiary dies.

- Your beneficiary's benefit may be limited by the Internal Revenue Code if the beneficiary is not your spouse.

Option 4 - 75 Percent Joint and Survivor Annuity

Option 4 provides you with reduced monthly benefits for life compared to what you would receive under the Maximum Retirement Allowance Option so that, after your death, your beneficiary will receive 75 percent of the same monthly amount for life.

- You must name one beneficiary.
- Your beneficiary must be a person, not an estate, organization, or trust.
- You are not required to name your spouse as a beneficiary.
- You may not change your beneficiary once selected unless he or she dies or unless you divorce and your spouse is named as beneficiary. If so, you may apply to Pop-Up to the Maximum Retirement Allowance Option. In the event of a late filing, the recalculation of benefits can be retroactively effective for up to three months if the beneficiary dies.

Benefit Options

Option 4A - 50 Percent Joint and Survivor Annuity

Option 4A provides you with reduced monthly benefits for life compared to what you would receive under the Maximum Retirement Allowance Option so that, after your death, your beneficiary will receive 50 percent of the same monthly amount for life.

- You must name one beneficiary.
- Your beneficiary must be a person, not an estate, organization, or trust.
- You are not required to name your spouse as a beneficiary.
- You may not change your beneficiary once selected unless he or she dies or unless you divorce and your spouse is named as beneficiary. If so, you may apply to Pop-Up to the Maximum Retirement Allowance Option. In the event of a late filing, the recalculation of benefits can be retroactively effective for up to three months if the beneficiary dies.

Joint and Survivor Annuity Fixed

Two beneficiaries

Option 3 - 100 Percent Joint and Survivor Annuity

Option 3 provides you with reduced monthly benefits for life compared to what you would receive under the Maximum Retirement Allowance Option so that, after your death, each of your two beneficiaries will receive half of the same monthly amount for life.

- You must name two beneficiaries.
- Your beneficiaries must be people, not estates, organizations, or trusts.
- You are not required to name your spouse as a beneficiary.
- You may not change your beneficiaries once selected.
- If one beneficiary dies, your remaining beneficiary receives 100 percent of the monthly benefit for life.
- If both beneficiaries die, any remaining contribution balance is refunded to the contingent beneficiary designated on your retirement application.
- Your beneficiaries' benefits may be limited by the Internal Revenue Code.

Guaranteed Payment Periods Fixed

One or more beneficiaries

Option 4B - 10, 15, or 20 Years Certain

Option 4B provides you with reduced monthly benefits for life compared to what you would receive under the Maximum Retirement Allowance Option so that, after your death, your beneficiaries will receive the same amount monthly for the remainder of your selected guaranteed payment period. You select one of three guaranteed payment periods—10, 15, or 20 years—that begin from your effective date of retirement.

- You must name one or more beneficiaries.
- There are no restrictions on who you may name as a beneficiary. You may name a person, estate, organization, or trust as beneficiary.
- You are not required to name your spouse as a beneficiary.
- You may change your beneficiaries at any time.
- The applicable Internal Revenue Code may limit your eligibility for selecting Option 4B based on your age at retirement.

Cost-of-Living Adjustment & Insurance

Cost-of-Living Adjustment

Retirees and beneficiaries who have been receiving benefit payments for at least one full fiscal year (July 1 to June 30) are eligible to receive an annual Cost-of-Living Adjustment (COLA). If you retire effective July 1, you would be eligible for the COLA during the fiscal year beginning 12 months later on July 1. If you retire effective August 1, you would be eligible for the COLA during the fiscal year beginning July 1, 23 months after the effective date of retirement.

You may irrevocably elect to receive your COLA in 12 equal monthly installments. If you do not make that election, your COLA will be paid annually in one lump sum payment on or about December 15. If you choose lump sum but would rather receive your COLA monthly, you must complete and submit Form 20, *Election of Monthly Cost-of-Living Adjustment* (found online). Choosing monthly payments is irrevocable.

The COLA is equal to 3 percent of your annual base benefit for each full fiscal year of retirement prior to the year in which you reach age 55 (Retirement Tiers 1 through 3) or 60 (Retirement Tier 4), plus 3 percent compounded for each fiscal year thereafter, beginning with the fiscal year in which you turn age 55 (Retirement Tiers 1 through 3) or 60 (Retirement Tier 4).

PERS sends COLA notices in late June/early July of each year to inform retirees of their December COLA amount and the amount to be withheld in taxes. Once an individual receives and reviews his or her notice, he or she has the option to adjust his or her lump sum COLA tax withholding preference. This change must be done by the last working day in October of that same year.

Insurance

PERS will withhold premiums for state/ employer sponsored or PERS-sponsored insurance. Talk with your human resources or payroll representative about filing the necessary paperwork to continue the insurance that is available to you when you retire. For information regarding state-sponsored life and health insurance, contact the Mississippi Department of Finance and Administration (DFA) at 866-586-2781. For information regarding PERS-sponsored health insurance, call Transamerica Premier Life Insurance Company at 800-634-0168.

Base Options Quick Comparison Chart

| PERS Base Option | How Benefits Are Paid to You and to Beneficiaries | Number of Allowed Beneficiaries | Restrictions on Naming Beneficiaries |
|--|--|---------------------------------|--------------------------------------|
| Maximum Retirement Allowance Option <i>Single Life Annuity</i> | Maximum benefit for life for you, any remaining balance refunded to beneficiaries after your death | Multiple | None |
| Option 1 <i>Pro-Rated Single Life Annuity</i> | Reduced benefit for life for you, any remaining balance refunded to beneficiaries after your death | Multiple | None |
| Option 2 <i>100 percent Joint/Survivor Annuity</i> | Reduced benefit for life for you, beneficiary receives your same monthly amount for life after your death, unless limited by IRC Section 401(a)(9) | One | Must be a person |
| Option 3 <i>100 percent Joint/Survivor Annuity</i> | Reduced benefit for life for you, beneficiaries each receive 50 percent of your monthly amount for life after your death, unless limited by IRC Section 401(a)(9) | Two | Each must be a person |
| Option 4 <i>75 percent Joint/Survivor Annuity</i> | Reduced benefit for life for you, beneficiary receives 75 percent of your monthly amount for life after your death | One | Must be a person |
| Option 4A <i>50 percent Joint/Survivor Annuity</i> | Reduced benefit for life for you, beneficiary receives 50 percent of your monthly amount for life after your death | One | Must be a person |
| Option 4B <i>10-, 15-, and 20-Year Certain</i> | Reduced benefit for life for you, after your death beneficiaries receive your same monthly amount for up to 10, 15, or 20 years from your effective date of retirement | Multiple | None |

| Provisions to Change Beneficiaries | Provisions to Change Base Option* | Internal Revenue Limitations | Partial Lump Sum Availability*** |
|--|---|--|---|
| You may change beneficiaries at any time | Pop-Down if you marry after retirement while receiving the Maximum Retirement Allowance** | None | No |
| You may change beneficiaries at any time | Pop-Down if you marry after retirement while receiving benefits under Option 1** | None | No |
| You may not change your beneficiary except when Popping Up | Pop-Up if your Option 2 beneficiary dies or if you divorce your Option 2 beneficiary | Possible limit on beneficiary benefit if your beneficiary is not your spouse | No |
| You may not change your beneficiaries | You may not change your option | Possible limit on beneficiary benefits | No |
| You may not change your beneficiary except when Popping Up | Pop-Up if your Option 4 beneficiary dies or if you divorce your Option 4 beneficiary | None | No |
| You may not change your beneficiary except when Popping Up | Pop-Up if your Option 4A beneficiary dies or if you divorce your Option 4A beneficiary | None | No |
| You may change beneficiaries at any time | You may not change your option | Possible based on your age at retirement | No |

* For explanation of Pop-Up and Pop-Down provisions, see PERS Member Handbook.

** Must apply for the Pop-Down within one year of the date of the marriage.

***The PLSO is only available to service retirees upon initial retirement and is not available to disability retirees.

Medical Review & Appeals Process

Medical Review Process

Your completed application and submitted documentation will be reviewed by the Medical Board. The Medical Board is comprised of three medical doctors responsible for identifying specific, objective medical and employment evidence, as documented, to determine whether a permanent medical condition exists that prevents you from performing the essential functions of your job. While the Medical Board gives consideration to Social Security disability determinations, it does not automatically accept that determination as sole evidence of eligibility for PERS disability retirement benefits.

The Medical Board meets monthly to review cases and make decisions. A Notice of Decision letter will be mailed to you within 10 days of the Medical Board's decision on your claim. However, the average time frame from when the application process begins until the Notice of Decision is mailed is approximately six months. You are therefore encouraged to complete your application and submit all required documentation as soon as possible to expedite the process.

The Three Possible Medical Board Decisions

- **Approval** – If terminated from employment, you would be added to the PERS benefits payroll and, within a month, receive your first benefit check along with any applicable retroactive benefits. If not terminated, your employer would need to certify your termination date to PERS before you can be added to the PERS benefits payroll. You must terminate all positions in state service, whether covered or not, within 90 days after approval or your disability retirement and your application will be voided.
- **Deferral** – You may be asked to submit to an independent medical evaluation to aid the Medical Board in making an objective decision. You would be notified in writing of the place and time of your appointment. PERS would pay for the required doctor's appointment and for any necessary evaluation tests. After receiving the additional required medical evidence, the Medical Board would continue its review of your claim.
- **Denial** – If you are denied disability retirement, you may appeal that decision to the Disability Appeals Committee of the PERS Board of Trustees.

Appeals Process

Any appeal of a Medical Board denial must be filed with PERS no later than 60 days after your receipt of the Notice of Decision. A *Notice of Appeal* form and appeal procedures will be included with your Notice of Decision.

The Disability Appeals Committee is a separate panel of experts than those serving on the Medical Board. Upon receipt of your completed *Notice of Appeal* form, PERS will schedule a hearing and notify you of the date and time of the hearing. Although not required, you may elect to have attorney representation at the hearing. A representative from your employer is invited to be present at the hearing.

After hearing the case, the Committee will make a recommendation to the PERS Board of Trustees, which will then issue a final decision on the appeal.

During the Application Process

Continuing Employment while Pursuing Disability

You do not have to terminate employment to apply for disability retirement. At the discretion of your employer, you may remain employed until the disability decision is rendered. However, if approved, your benefit will not start until you have terminated employment. You must terminate all positions in state service, whether covered or not, within 90 days after approval or your disability retirement and your application will be voided.

Service Retirement while Pursuing Disability

If you have terminated employment and are eligible, you may begin receiving service retirement benefits while pursuing approval for disability retirement as long as an application for disability retirement is on file with PERS before any service retirement benefits begin. Your PERS benefit analyst will provide you with the necessary form to make this election and to select your benefit option. The Partial Lump Sum Option (PLSO) is *not* available to disability applicants.

If you elect to receive service retirement benefits while pursuing disability retirement and you are not approved for disability, you cannot change the benefit option you selected, except if you later qualify to Pop-Up or Pop-Down (see PERS Handbook). If you are approved for disability retirement benefits and the benefits paid under service retirement are less than the benefits owed under the provisions of disability retirement, the difference will be paid to you.

Temporary Benefit while Pursuing Disability

If you have terminated employment, have less than 15 days of unused leave, and are not eligible for service retirement, you may apply for a temporary benefit while pursuing approval for disability retirement. If you are eligible, your PERS benefit analyst will send you DSBL 11, *Temporary Benefit Application*, to complete and submit. All medical information and required forms must be submitted before you are eligible for the temporary benefit.

The temporary benefit will be paid as a partial distribution of your accumulated contributions and will equal no more than 50 percent of your accumulated contributions. You will receive up to 18 monthly installments; however, the installments will be no more than one-half of the estimated monthly disability retirement allowance to which you would become entitled under the benefit option you select. The temporary benefit will cease at the end of the 18 months or at the time a final disability determination is made, whichever is first. These payments will be recovered through an actuarial reduction of any future monthly benefits (see PERS Board Regulation 63, *Temporary Benefit*).

After You Retire

Post-Retirement Audit

Your initial retirement benefit is calculated using projected wages certified by your employer before your termination date. After your final wages are reported, PERS will audit your account and, if necessary, adjust your benefit for any underpayment or overpayment. The recalculation of benefits should be done within six months after receipt of your first retirement check.

Taxes

Your monthly benefits are subject to federal taxes. PERS will withhold taxes based on your preference, but you are responsible for any taxes that you might owe to the IRS. You may elect to have no federal income taxes withheld, to withhold income tax based upon marital status and exemptions, and/or to have additional federal income tax withheld.

In the absence of submitted tax withholding information, PERS automatically withholds taxes based on a status of “married with three withholding exemptions.”

Retirement benefits are not subject to Mississippi state income tax; however, if you move to another state, your retirement benefits may be subject to taxes in that state.

Continuing Qualification

If approved for disability retirement benefits, you may be required to submit to periodic medical reexaminations (or reevaluations). If the Medical Board determines that you no longer qualify for disability retirement through either a medical evaluation or documented earnings ability, your benefits will be subject to termination.

Changing Benefit Options

If you selected Option 3 or Option 4B at retirement, you cannot change your option after retirement; however, the other retirement options contain Pop-Up and Pop-Down provisions that allow retirees to change options and beneficiary designations under certain limited circumstances (see pages 4-6).

Keeping Account Updated

You have a responsibility to keep your PERS account information current, even after retiring. Having your correct address on file means PERS can reach you if the need arises, and keeping other information up to date makes transitions and processing smoother for you and your loved ones down the road.

For your convenience, several forms are available on the PERS website to help you update your personal information, amend your beneficiary designations, change your benefit option (if eligible), change the tax withholding status of your benefit, and change direct deposit information.

Staying Informed

PERS is here to serve you, whether you are a member, retiree, or beneficiary. We encourage you to contact us and to use our printed and online resources. Our Customer Service Center, website, newsletters, and other communication materials are reliable sources for information and answers to questions.

Returning to Work

90-Day Waiting Period

You may not return to work for a covered employer for at least 90 days from your effective date of retirement without terminating retirement. You cannot be reemployed in the same general position from which you retired or in a position with similar job requirements.

Income Limitations and Submission of Tax Returns

As a disability retiree, you may work and earn no more than the difference between your average compensation before retirement and the benefit amount paid after retirement, excluding Cost-of-Living Adjustments. Income limitations do not include passive income such as interest income or Social Security income.

These restrictions apply until your benefit converts to a service retirement benefit, at which time normal re-employment rules apply. If you retired under the Age Limited Plan, your benefits convert at age 60, and at the end of the temporary period if you retired under the Tiered Plan.

You must annually submit copies of your federal income tax returns and other supporting income earnings documents to PERS.



Tiered Disability Plan

The Tiered Disability Plan is applicable to members who enter PERS on or after July 1, 1992, and to members employed before July 1, 1992, who elected the Tiered Disability Plan. With the Tiered Disability Plan, you begin with a Temporary Allowance and you eventually move to a Deferred Allowance. The timing of this transition is based on the effective date of your disability retirement allowance. (See chart below for transition ages from Temporary Allowance to Deferred Allowance.)

Temporary Allowance equals the higher of either:

- 40 percent of average compensation or
- benefits calculated under the service retirement formula based on actual years of service accumulated prior to disability retirement.

The Temporary Allowance also may include an additional supplement of 10 percent of average compensation per dependent child, up to 20 percent of average compensation for two or more dependent children. The Temporary Allowance, including any supplement, will stop once the Deferred Allowance begins.

Deferred Allowance is the greater of either:

- benefits calculated under the service retirement formula based on actual years of service accumulated prior to disability retirement or
- benefits not exceeding 40 percent of average compensation based on the total of actual service credit plus service credit for the period of the Temporary Allowance.

The Deferred Allowance may be less than the Temporary Allowance.

If Temporary Allowance begins at age...

Then Deferred Allowance begins at age...

60 or younger

65

61 or 62

66

63 or 64

67

65 or 66

68

67

69

68

70

69 or older

1 year from effective date of retirement

Example: If you are age 60 or younger when your disability retirement allowance becomes effective, you transition from Temporary Allowance to Deferred Allowance at age 65. If you are age 61 or older when your disability retirement allowance becomes effective, you transition from Temporary Allowance to Deferred Allowance at the age outlined on chart above.

Age-Limited Disability Plan

The Age-Limited Disability Plan is applicable to members employed before July 1, 1992, who did not elect the Tiered Disability Plan, and who have not received a refund of contributions since July 1, 1992.

Under the Age-Limited Disability Plan, non-duty-related disability retirement benefits are available to vested members under the age of 60. Vested

members who are under the Age-Limited Disability Plan and who are age 60 or older are not eligible for disability retirement but may apply for service retirement.

Age-Limited Disability Plan benefits are calculated under the service retirement formula based on actual years of service accumulated prior to disability retirement plus service credit

calculated from the effective date of retirement to age 60.

Use the table below to calculate your Maximum Annual Benefit under the Age-Limited Disability Plan. The Example Figures shown below illustrate how this formula works for a member who retired at age 57, has 24 years of service credit and an average compensation of \$31,500.

Calculation

Your Figures

Example Figures

Add

Years of Service Credit
to Years from Current Age
to Age 60

+

Years of Service Credit

24

Years to Age 60

+

3

Total Years of Service Credit

27



Calculate

Service Credit Factor
Years 0 - 25 x .020
Years Above 25 x .025

Total Years of Service Credit

27

Service Credit Factor

.550 (.500 + .050)

25 Service Credit Years x .020 = .500

2 Service Credit Years x .025 = .05



Multiply

Average Compensation*
by Service Credit Factor

x

Average Compensation *

\$31,500

Service Credit Factor

x

.550

Maximum Annual Benefit

\$17,325

* Use the Benefit Estimate Calculator in the PERS Member Handbook (page 27) to calculate your Average Compensation.



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Disclaimer

This guide is published for members of the Public Employees' Retirement System of Mississippi (PERS) to provide general information regarding PERS laws, policies, and regulations and is subject to periodic revision as laws, policies, and regulations change. See all current PERS Board of Trustees Regulations at www.pers.ms.gov/Content/Pages/Board-Regulations.aspx.

PERS administers the benefits described in this guide on behalf of participating employers. This guide is meant to serve as a general reference to our members and should not be used as a legal reference or a complete statement of the laws or administrative rules related to disability retirement. If any conflict exists between the information in this guide and the applicable laws or administrative rules, the laws and administrative rules shall prevail.

Other Resources

The following resources can be found on the PERS website, www.pers.ms.gov.

- PERS Member Handbook
- PERS Board Regulation 35, *Filing an Application for Monthly Benefits and Establishing an Effective Date of Retirement*
- PERS Board Regulation 42, *Rules of Hearing Practice and Procedure before the Board of Trustees*
- PERS Board Regulation 45A, *Administration of Disability Benefits under PERS*
- PERS Board Regulation 63, *Temporary Benefit*