What Types of Disability Retirement are Available?

There are two types of disability retirement, non-duty and duty disability.

**Non-Duty Disability**
- You are eligible for a non-duty disability if you are a vested PERA member with 5 or more years of service credit.
- You must be totally incapacitated, which is subject to reevaluation.
- Your disability was not caused by your work.
- You do not accrue service credit during the period you are receiving disability benefits.

**Duty Disability**
- You are eligible from the first day of employment with a PERA-affiliated employer.
- Your disability must be a “natural and proximate” result of cause arising solely and exclusively out of, and in the course of, your performance of duty with an affiliated public employer.
- “Solely and exclusively” means a member’s work is so substantial a factor of the disability that it would not have occurred at the time without it and a pre-existing condition is not a significant factor material to the disability.
- You accrue service credit during the period you receive disability benefits.

A disability retirement pension is paid for a period of one year after approval of the initial application unless the Disability Review Committee grants, for good cause, disability for a longer period of time.

**Standards for Determining Disability Eligibility**

If you are currently an employed and a contributing member of an affiliated public employer (working, on sick or annual leave) and you are mentally or physically incapacitated for continued employment and the incapacity is likely to be permanent, then

The standard used to judge your disability eligibility is whether you can perform the duties of your current job.

If you are not currently employed by an affiliated public employer, have not retired or received a refund of your employee contributions, are mentally or physically incapacitated for any gainful employment and the incapacity is likely to be permanent, then

The standard used to judge your disability eligibility is whether you are physically or mentally incapacitated for any gainful employment.

**Totally incapacitated** means the inability, as the result of either sudden injury or illness or the cumulative long-term effects of injury and illness, to work your regular work week.

**Likely to be permanent** means the weight of the medical evidence indicates the member has reached maximum medical improvement and the disability will last at least until the member reaches the normal age of retirement, or the medical evidence determines the disability to be permanent even though maximum medical improvement has not been reached.

**Any gainful employment** means remunerative employment (work you are paid for) or self-employment commensurate with the member’s age, education and experience.

**Commensurate employment** means profitable employment that approximates pre-disability compensation, but does not necessarily provide equivalent salary.
Who Makes the Decisions About My Disability Application?

Your Application for Disability is reviewed by the PERA Board’s Disability Review Committee before a determination is made about whether or not to award disability retirement benefits.

PERA Disability Review Committee

The PERA Disability Review Committee normally meets the second Tuesday of every month. The committee consists of 3 doctors - an internist, an orthopedist and a psychologist - 5 PERA Board members and is assisted by PERA disability staff. Each of the 8 members of the committee has a single vote in approving or denying a disability application. The doctors present a summary of your medical history. The summary is a status of the illness, injury or condition for which you have applied for disability benefits. The doctors make recommendations to the entire committee and the committee votes on each application.

If the information provided to the Disability Review Committee is insufficient for the committee to make a determination, a letter is sent informing you that your application for disability retirement will be deferred. The deferral letter also lists specific information needed by the Disability Review Committee before the application can be reviewed again.

It is your responsibility, not the PERA staff’s, to notify your physician regarding the requested medical information, to make arrangements for additional office visits for testing or provide other information requested by the Doctors’ Review Committee.

Disability Retirees are Reevaluated After One Year if:

√ You have not yet received a final disability determination from the Social Security Administration, which is judged by the standard of whether you are capable of any gainful employment.

√ You receive federal Social Security disability benefits for a condition different from the one for which you applied for PERA disability retirement, which is judged by the standard of the Social Security Administration for that condition.

√ You are not eligible for federal Social Security disability benefits because you did not pay into Social Security or you did not have enough quarters, which is judged by the standard of the Social Security Administration.

√ You are contesting your disability determination made by the Social Security Administration and have not yet received a final determination.
What Do I Need to Do to Start the Process for a Disability Retirement?

Following the procedures outlined on this information sheet will help you apply for a disability retirement. Please include the following documentation.

Your initial documentation to be submitted to the Disability Review Committee - every page should have your social security number on it:
- √ PERA Application for Disability Form
- √ Authorization to Release of Information to PERA
- √ Employer's Report of Disability Form
- √ Examining Physician's Statement Form
- √ All current medical records to support diagnosis and a current doctor's narrative written within the last 3 months

In addition, PERA will send an Employer Certification Form to your employer requesting the following information:
- √ Employment termination date
- √ Statement of final wages
- √ Statement of final PERA contributions

If you are approved for a disability retirement you will need to provide this additional information - PERA staff will provide the forms to you if you are approved:
- √ PERA Final Application for Annuity
- √ PERA Tax Deduction Form
- √ PERA Spousal Consent Form (if married)
- √ PERA Affirmation of Marital Status Form (if single)
- √ PERA Direct Deposit Form (must be signed by your financial institution)
- √ Copy of your birth or baptismal certificate*
- √ Copy of marriage certificate (if you are married)
- √ Copies of any divorce decrees and marital settlement agreements
- √ Copy of your beneficiary's birth or baptismal certificate*
- √ Your beneficiary's social security number and address if different from your own

As soon as PERA has received the first five documents listed above we can begin processing your disability retirement application. After approval for a disability retirement, if the remaining documents are submitted later than the recommended time, processing your pension will be delayed until the first of the month following PERA's receipt of all completed forms and documentation.

* In lieu of a birth or baptismal certificate, you may prove your age by submitting a religious record of birth. The religious record must have been recorded before you were five years old. Alternately, you may use any two of the following documents: copy of a life insurance policy, certified copy of voter registration issued over 10 years prior to retirement date, tribal census record, childhood immunization record made prior to 18 years of age, military record, birth certificate of child showing age of parent, physician's or midwife's record of birth, passport or immigration/naturalization record.
Dates Are Important!

You should give some consideration to the date that you terminate your employment because service credit is granted by the month. The 16th of each month is the cutoff point to earn service credit for that month. If you began employment after the 16th of a month you will not receive service credit for that month. If you terminate employment before the 15th of a month you will not receive credit for that month. If you need service credit for the month in which you terminate employment, you must terminate employment after the 16th of the month. Keep in mind, in order to receive service credit for the month you must also earn at least half of your regular wages for that month.
What is My Pension Based On?

There are three factors that your pension is based on.

**Final Average Salary or FAS**— this is the monthly average of your salary for the 36 consecutive months of service credit producing the highest average.

**Service Credit**— the years and months that you have worked for a PERA-affiliated employer.

**Pension Factor**— the percentage by which your total years and months of service credit is multiplied. The chart below shows how this is related to your service plan.

<table>
<thead>
<tr>
<th>Plan</th>
<th>Pension factor</th>
<th>Maximum Pension % of FAS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Plans</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan 1 (before 10/87)</td>
<td>2.0%</td>
<td>60%</td>
</tr>
<tr>
<td>Plan 2 (after 10/87)</td>
<td>2.5%</td>
<td>75%</td>
</tr>
<tr>
<td>Plan 3 (after 12/96)</td>
<td>3.0%</td>
<td>80%</td>
</tr>
<tr>
<td>State Police and Adult Correctional Officer plan</td>
<td>3.0%</td>
<td>80%</td>
</tr>
<tr>
<td>Hazardous Duty plan 1</td>
<td>2.5%</td>
<td>100%</td>
</tr>
<tr>
<td>Hazardous Duty plan 2</td>
<td>3.0%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Municipal Plans</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan 1</td>
<td>2.0%</td>
<td>60%</td>
</tr>
<tr>
<td>Plan 2</td>
<td>2.5%</td>
<td>75%</td>
</tr>
<tr>
<td>Plan 3 (closed 6/96)</td>
<td>3.0%</td>
<td>80%</td>
</tr>
<tr>
<td>Plan 4 (closed 6/00)</td>
<td>3.0%</td>
<td>80%</td>
</tr>
<tr>
<td>Police plan 1</td>
<td>2.0%</td>
<td>60%</td>
</tr>
<tr>
<td>Police plan 2</td>
<td>2.5%</td>
<td>100%</td>
</tr>
<tr>
<td>Police plan 3</td>
<td>2.5%</td>
<td>100%</td>
</tr>
<tr>
<td>Police plan 4</td>
<td>3.0%</td>
<td>80%</td>
</tr>
<tr>
<td>Police plan 5</td>
<td>3.5%</td>
<td>80%</td>
</tr>
<tr>
<td>Fire plan 1</td>
<td>2.0%</td>
<td>60%</td>
</tr>
<tr>
<td>Fire plan 2</td>
<td>2.5%</td>
<td>100%</td>
</tr>
<tr>
<td>Fire plan 3</td>
<td>2.5%</td>
<td>100%</td>
</tr>
<tr>
<td>Fire plan 4</td>
<td>3.0%</td>
<td>80%</td>
</tr>
<tr>
<td>Fire plan 5</td>
<td>3.5%</td>
<td>80%</td>
</tr>
<tr>
<td>Detention Officer plan</td>
<td>3.0%</td>
<td>80%</td>
</tr>
</tbody>
</table>
What Options Are Available for How My Pension is Paid?

When you apply for disability retirement with PERA, you must choose a Form of Payment option from the four available. The option you choose determines whether or not a pension is paid to a survivor beneficiary. If you decide to provide for a survivor beneficiary your monthly pension amount will be reduced. The amount of the reduction depends upon the Form of Payment you select, your age and the age of your designated survivor. Regardless of which Form of Payment you choose, your pension is paid to you for the duration of your life. All four options guarantee that you will receive, at a minimum, all of the contributions you paid into the fund, plus accrued interest. Any employee contributions remaining in your account at the time of your death are paid to your estate if both you and your designated survivor beneficiary die before an amount equal to your total employee contributions has been paid in benefits. Also, if your survivor beneficiary dies before you, your retirement benefit will revert to the Form of Payment A amount, after PERA has been provided with a death certificate. You cannot name another beneficiary.

The form of payment options you may select from are as follows:

**Form of Payment A**

**Straight Life Option**

You receive the maximum allowable retirement benefit under your coverage plan that provides a monthly benefit for your lifetime only. All payments stop on the first day of the month following your death.

**Form of Payment B**

**Joint Survivor Option (100%)**

Provides a monthly payment to you for your lifetime. Upon your death, your beneficiary will receive the same amount for the rest of his or her life. The benefit amount is based on your age and the age of your beneficiary at the time of retirement. This Form of Payment is less than Form of Payment A because the value of your monthly retirement benefit is actuarially reduced to provide the same benefit to your survivor beneficiary. If your survivor beneficiary dies before you, your retirement benefit reverts to the Form of Payment A amount when PERA is notified and receives a death certificate.

**Form of Payment C**

**Joint Survivor Option (50%)**

Provides a monthly payment to you for your lifetime. Upon your death, your beneficiary will receive one half the amount that you were receiving for the rest of his or her life. Your pension benefit amount is less than Form of Payment A, but more than Form of Payment B, based on your age and the age of your beneficiary at the time of retirement. This is because the value of your monthly retirement benefit is actuarially reduced to provide half of your benefit amount to your survivor beneficiary. If your survivor beneficiary dies before you, your retirement benefit reverts to the Form of Payment A amount when PERA is notified and receives a death certificate.

**Form of Payment D**

**Temporary Joint Survivor Option (for retirees with minor children).**

Provides a monthly payment to you for your lifetime. Upon your death, your children under the age of 25 will share and receive the same total amount until your last child reaches age 25. Your pension benefit amount is less than Form of Payment A based on your age and the age of your youngest eligible child at the time of retirement. Your pension amount will change to the amount that would have been paid under Form of Payment A once the youngest eligible child reaches the age of 25.
The following formula will help you estimate a regular retirement pension for Form of Payment A. This example is based on someone retiring under the State General Member Coverage Plan 3 with a final average salary of $2,000 and 25 years service credit.

<table>
<thead>
<tr>
<th>Example</th>
<th>Your Plan</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Plan maximum</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>B. Pension factor</td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td>C. Years and months of service (one month = .0833 years)</td>
<td>25 x</td>
<td></td>
</tr>
<tr>
<td>D. B x C =</td>
<td>75%</td>
<td>= x%</td>
</tr>
<tr>
<td>E. Final Average Salary</td>
<td>$2,000</td>
<td>$</td>
</tr>
<tr>
<td>F. The smaller of A or D</td>
<td>75%</td>
<td>x%</td>
</tr>
<tr>
<td>G. Multiply E x F =</td>
<td>$1,500</td>
<td></td>
</tr>
</tbody>
</table>

Line G would be your estimated monthly gross pension under Form of Payment A, based on the factors you have entered.

While this worksheet gives you a general idea of your monthly pension, we do not recommend basing your decision to retire on it alone as circumstances may exist that could make this estimate inaccurate.

For a more detailed explanation, please refer to the PERA Member Handbook.
You can work after you are granted a disability retirement from PERA. You are limited to earning $15,000.00 per year. If your earnings exceed $15,000.00 annually, your PERA disability retirement benefits will be suspended. As a part of your disability retirement, PERA requires you to submit earnings statements annually on or before July 1 of each year you are receiving disability retirement. You must submit:

- Current year’s federal tax return,
- PERA 1099 form for retiree and spouse if you are filing jointly,
- Social Security 1099 for retiree and spouse if you are filing jointly, and/or
- Any W-2s for retiree and spouse if you are filing jointly

If you did not file federal income taxes or you requested an extension, you must submit documentation from the IRS that shows you did not file federal income taxes. If you requested an extension from the IRS to file your federal income taxes, you must provide the above-stated items to PERA when you file your federal income taxes.

With the prior written approval of PERA, disability retirees may return to work for a trial period of employment of not more than 120 days. During this period of trial employment, the member is exempt from PERA membership.

Upon successful completion of a period of trial employment, the disability retiree’s pension will be suspended, and the disability retiree will be reinstated as a PERA member and will resume making employee contributions.

A disability retiree is limited to 2 periods of trial employment in any 5-year period.
How Long do My Disability Retirement Benefits Last?

The duration of disability retirement benefits depends on the determination from the PERA Board. The Board can approve:

- Disability retirement benefits are initially paid for a one-year period unless approved for a longer period for good cause shown (i.e. terminal illness, poor prognosis, etc.)

- Upon PERA's receipt of a favorable federal Social Security Administration final determination that indicates award of disability benefits for the same condition, PERA will continue payment of disability benefits as long as you provide current proof that you are receiving social security disability by the date listed on the re-evaluation letter that PERA will mail to you on an annual basis.

If your Social Security Disability application is denied by Social Security, PERA disability retirement benefits will be discontinued the first month after the denial.

The PERA Board could determine, based on the material provided by you, whether or not you will receive a one-year disability retirement benefit subject to reevaluation or a permanent disability retirement benefit. Once you transition from a disability retirement status to a normal retirement status, you will not have to be reevaluated for your benefits again.

If you have questions for the Social Security Administration, please contact them at 1-800-772-1213.
When Does My Disability Retirement Status Change?

When a disability retiree reaches the combined age and years of service credit needed for normal retirement, the pension status is reclassified from a disability retirement to a normal retirement. Once converted to normal retiree status, retirees are no longer required to report earnings or be medically reevaluated.

The following are the age and service requirements needed to qualify for a normal retirement. A non-duty disability is available to employees with 5 or more years of service. A duty-related disability is available at any time during your employment with a PERA-affiliated employer. While you are on a disability duty-related retirement you continue to earn service credit.

- Age 60 or older with 20 or more years of service credit, or
- Age 61 or older with 17 or more years of service credit, or
- Age 62 or older with 14 or more years of service credit, or
- Age 63 or older with 11 or more years of service credit, or
- Age 64 or older with 8 or more years of service credit, or
- Age 65 or older with 5 or more years of service credit.

If you are a police or fire member covered under one of the following plans you are eligible for retirement at any age with 20 or more years of service credit:

- Municipal police member, coverage Plan 3
- Municipal police member, coverage Plan 4
- Municipal police member, coverage Plan 5
- Municipal fire member, coverage Plan 3
- Municipal fire member, coverage Plan 4
- Municipal fire member, coverage Plan 5

If you are a member participating under the judicial plan, you must meet the following requirements:

- Age 64 or older with 5 or more years of service credit, or
- Age 60 or older with 15 or more years of service.

If you are a member participating under the magistrate plan, you must meet the following requirements:

- Age 64 or older with 5 or more years of service credit, or
- Age 60 or older with 15 or more years of service, or
- Any age and 24 or more years of service credit.
## Important Phone Numbers

<table>
<thead>
<tr>
<th>For</th>
<th>Call</th>
<th>At</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERA Disability Administrator</td>
<td>PERA Member Services, Santa Fe</td>
<td>827-4726 / 827-4929</td>
</tr>
<tr>
<td>PERA Service Credit</td>
<td>PERA Member Services, Santa Fe</td>
<td>827-4700</td>
</tr>
<tr>
<td>Out-of-town members</td>
<td>PERA’s toll-free number</td>
<td>1-800-342-3422</td>
</tr>
<tr>
<td></td>
<td>(toll-free in New Mexico)</td>
<td></td>
</tr>
<tr>
<td>Deferred Compensation</td>
<td>Deferred Compensation Manager</td>
<td>827-4703</td>
</tr>
<tr>
<td>Retiree Health Insurance</td>
<td>Retiree Health Care Authority, Santa Fe or toll-free in New Mexico</td>
<td>986-8556 or 1-800-233-2576</td>
</tr>
<tr>
<td>Social Security Questions</td>
<td>Social Security Office</td>
<td>1-800-772-1213</td>
</tr>
</tbody>
</table>