

Disability Retirement

Fact sheet for members and applicants
filing on or after 1/1/07



If you are an SDCERA member and you are permanently disabled, physically or mentally, from performing your job duties, regardless of your age, you may apply for disability retirement.

Use this fact sheet to understand some basic information about disability retirement including finding out who is eligible, how the benefit is calculated and when to apply. If you have questions or need further assistance, the *Disability Retirement* guide and application are available from SDCERA. Contact the Disability Unit locally at 619.515.6864 or toll-free at 1.888.4.SDCERA to request a copy.

Permanent incapacity

If you become physically or mentally disabled from performing your job duties, you may apply for disability retirement regardless of your age. If you are eligible and the Board of Retirement finds you are permanently incapacitated (substantial inability to perform your usual job duties), you may be eligible to receive a disability retirement benefit.

For example, if you injure your knee and your physician gives you a permanent work restriction that your department is able to accommodate, you would not be eligible for a disability retirement. However, if your department could not accommodate the restriction, and you were no longer able to work in your usual job classification, you may be eligible for a disability retirement benefit.

Service retirement vs. disability retirement

Service retirement

An SDCERA service retirement benefit is calculated based on a formula and provides you with a percentage of your final average monthly compensation based on age and length of service. This means the benefit amount may be different for members with various ages and lengths of service.

Service-connected disability retirement

If you are permanently physically or mentally incapacitated from performing your usual job duties, and your incapacity is the result of a job-related injury, illness or disease, you may be eligible for a

service-connected disability retirement benefit, regardless of your age or length of service. Your incapacity must arise during the course of your job, and your job must contribute substantially to your incapacity. The monthly benefit is equal to 50% of your highest final average monthly compensation or your service retirement benefit, whichever is greater (if you are eligible for a service retirement benefit).

Nonservice-connected disability retirement

If you are permanently physically or mentally incapacitated from performing your usual job duties due to an injury, illness or disease which is not job-related, you may be eligible for a nonservice-connected disability retirement benefit. To receive a benefit, in addition to the permanent incapacity requirement, you must also have a minimum of five years of retirement service credit or a combination of SDCERA and reciprocal retirement service credit. The monthly benefit is based on a disability formula or a service retirement benefit, whichever is greater.

If you are reasonably certain that you will no longer be able to perform your usual job duties due to a disability (injury, illness or disease), contact SDCERA to begin the process of applying for a disability retirement.

Disability retirement and reciprocity

If you establish reciprocity between SDCERA and another public agency, filing requirements and benefit calculations may be different for you. Contact SDCERA for information if this situation affects you.

Eligibility requirements

If you are an SDCERA member and you become permanently incapacitated from performing your usual job duties—you may apply for a disability retirement. The application must be submitted with medical evidence that supports your application.

The evidence must include the history of your disability (injury, illness or disease) and give facts about your diagnosis. Your physician must also include the basis for any opinions given about your ability to work.

Process

After the administrative review process is complete, the application is submitted to the Board of Retirement for the administrative hearing process. There are three possible scenarios for each application during the administrative hearing process:

- (1) Administrative recommendation to grant—when a preponderance of evidence supports all claims made in the application, staff will recommend that the application be granted.
- (2) Administrative recommendation to grant in-part and deny in-part—when a preponderance of the evidence supports the claim for a disability retirement based on permanent incapacity, but there is conflicting evidence on other claims made by the applicant, staff will recommend granting on the issue of permanent incapacity, but denying other claims.

- (3) Administrative recommendation to deny—when the claims made in the application have not been sufficiently established.

If the Board denies any part of an application at the administrative hearing level, a member may request a hearing de novo. This request must be made timely (within 30 days of the date of service of the Notice of Board Decision). A hearing de novo is a proceeding before a hearing officer or the Board of Retirement where evidence and testimony is taken to create an administrative record on which a decision on issues within an application for disability retirement will be determined. Simply explained, it's an opportunity for you to explain your case and answer any questions regarding your application and/or supporting documents.

Following a hearing de novo, the hearing officer will make a recommendation to the Board of Retirement to (1) grant, (2) grant in-part and deny in-part, or (3) deny the application. If the Board of Retirement denies the application at the hearing de novo level, you have a right to an appeal in Superior Court. The appeal must be made timely.

Paying taxes on retirement benefits

Members are encouraged to seek advice from a professional tax advisor concerning any distributions from SDCERA and how to report distributions on your personal income tax return. SDCERA does not give tax advice.

Service-connected disability retirement

SDCERA reports benefits received due to a service-connected disability retirement that do not exceed 50% of your final average monthly compensation (FAC) as nontaxable income under Internal Revenue Code Section 104(a)(1)—with the exception of benefits received as the result of a presumption (refer to the Safety Member Considerations section in the *Disability Retirement* guide). Benefit amounts above 50% of FAC are treated as taxable income and SDCERA withholds tax based on the member's election.

Nonservice-connected disability retirement

SDCERA reports nonservice-connected disability retirement benefits as taxable income and withholds tax based on the member's election.

SDCERA library of publications

Booklets

Disability Retirement
Dividing Community
Property
Health Insurance Program
for Retired Members
Now that You are Retired
Retirement Plan
Survivor and Beneficiary
Information

Fact sheets

Considerations after
Termination
Considerations before
Purchasing Service Credit
Deferred Membership
Disability Retirement
Earning Service Credit
Health Insurance Allowance
Health Insurance Plans
Medicare Information for
SDCERA Health Plans
Purchasing Service Credit
Reciprocity
Refunds
Retirement Benefit Options
Retirement Plan Summary
Rollover/Transfer for
Purchasing Service Credit
Supplemental Benefit
Allowance

Workers' compensation vs. disability retirement

The workers' compensation system and SDCERA disability retirement are separate and distinct processes. The actions and decisions made in one process are not binding on the other.

When to apply

If you are reasonably certain that you will no longer be able to perform your usual job duties due to a disability (injury, illness or disease), contact SDCERA to begin the process of applying for a disability retirement.

This fact sheet provides disclosure of certain terms and conditions of SDCERA membership and benefits available to members. It is designed to give you this information as simply and accurately as possible as of the date of issuance of this fact sheet. SDCERA is governed by the County Employees Retirement Law of 1937 (Government Code Section 31450 et. seq.) as it has been adopted and implemented by the San Diego County Board of Supervisors and the SDCERA Board of Retirement. If there is any inconsistency between this fact sheet and the governing law, the law will govern. Decisions relating to the plan will be made after reference to the statutes and any resolutions, regulations and policies governing administration of SDCERA as they exist at the same time of the decisions.

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