

PERA and Work Comp: Sufficiency of Police Permanent Total Disability Benefits

February 8, 2022

Legislative Commission on Pensions and Retirement

2008 Omnibus Pension Bill

- Rep. Holberg and Sen. Pariseau introduced a bill to increase pensions for police officers permanently, totally disabled in the line of duty.
- LCPR included language to increase the PERA permanent total disability pension for one member from 60% to 75% as a temporary measure, citing concerns about lack of information on total cost and other impacts.
- Commitment from PERA Executive Director Mary Vanek to study the sufficiency of benefits for Police and Fire who are permanently totally disabled in the line of duty. No study was ever completed.

Other Changes to Pension/Work Comp Law

- The Ekdahl/Hartwig decision restored wage loss benefits to those PERA P&F members who were permanently, totally disabled in the line of duty after qualifying for regular retirement benefits.
- The maximum COLA for PERA P&F changed from 2.5% to 1%. A recent COLA study showed loss of purchasing power for healthy retirees, and did not look at Permanent Total Disability
- Elimination of automatic survivor benefits after age 55.

Basis for offset

125% of salary (current dollars):

Duty disability, retrained to new job

100% of salary (current dollars):

Injured but able to return to police work

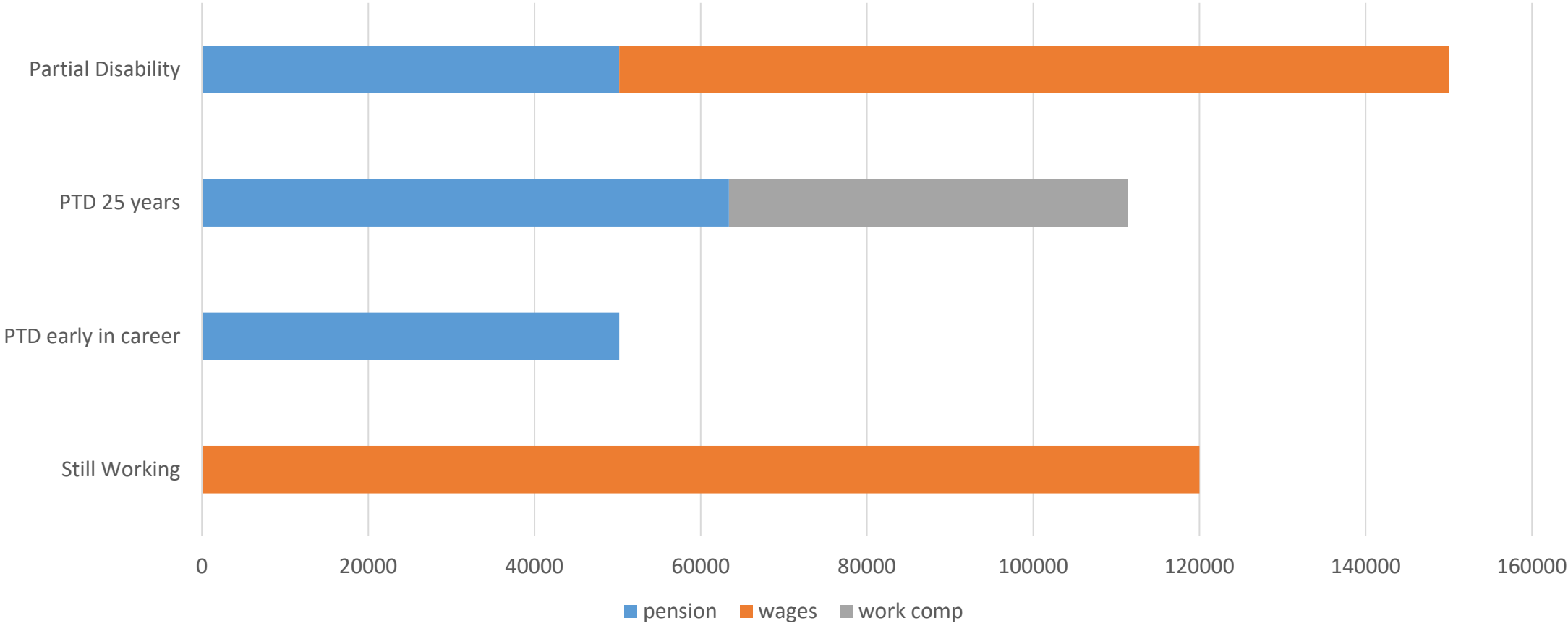
66% of salary (date of injury), with cap:

Permanent Total Disability before normal retirement eligibility

No offset:

Permanent Total Disability after normal retirement eligibility

The Results:



How many people?

This offset was put in place as part of the 1993 Work Comp reforms. Since then, it is estimated that 1-2 people in PERA Police and Fire are Permanently, Totally Disabled in the Line of Duty each year.

Many of these injuries are to people who are already eligible for retirement, so they are not subject to the offset. One of the purposes of the study is to document the frequency of P&F members that are Permanently Totally Disabled early in their careers.

Request

Support a joint study by DOLI and PERA to look at the sufficiency of work comp and PERA benefits for police officers who are disabled in the line of duty.

Questions?