

# State of Minnesota \ LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

## MINUTES

Disability Benefit Subcommittee  
October 30, 1981  
Rochester, Minnesota  
7 p.m.

PRESENT: Representatives Rodriguez, Reding and Sarna; also Representative Kaley

The Chairman, Representative Frank Rodriguez, opened the meeting. Representative Dick Kaley welcomed the Subcommittee and the members of the audience to the Rochester area.

Representative Rodriguez announced that the first two items on the agenda, "Improvement of Disability Benefit Coverage for Relief Associations with Below Average Disability Benefit Coverage" and "Alternative to Current Relief Associations of Providing Disability Benefit Coverage Through a Statewide Insurance Plan" would be postponed until the November meetings in Saint Paul.

### Definition of Disability Entitling a Person to Receive a Disability Benefit

Larry Martin went over the memo and discussion followed. The four elements of a definition of disability were discussed in depth:

- a) "objective" versus "subjective" standards for determining the cause of the disability;
- b) "total" inability to work versus "partial" inability to work;
- c) standard of employment: any gainful employment versus person's own employment; and
- d) "temporary" versus "permanent" duration.

Depending which elements are used, definitions can be highly restrictive or less restrictive. Less restrictive definitions act as early retirement or reemployment incentives. The use of alternative duty jobs was also discussed.

Attached to the memo were copies of the laws and bylaws governing disability of all relief associations.

Tom Dickinson, Minneapolis Fire, commented that if light duty jobs were available, then many injured or ill firefighters would be able to avoid taking a disability benefit if they could be transferred to light duty work by the administration. Currently the administration does not transfer those who are unable to do active firefighting to light duty work.

Dave Niebur, Minneapolis Police, requested information concerning light duty jobs available to PERA-P&F disabilitants and the dollar amount of the disability benefits paid to PERA-P&F disabilitants.

### Reply from PERA Concerning PERA-P&F Disabilitants

Following the Duluth meeting of the Subcommittee, a request for information concerning PERA-P&F disabilitants was made to PERA. The reply memorandum listed the number of duty and non-duty disabilitants; the number of PERA-P&F retirement annuitants who are receiving recomputed disability benefits; the average percentage of salary received by duty and non-duty disabilitants; and the number of times that the PERA-P&F disabilitants' benefits were offset due to either a workers' compensation benefit or subsequent earnings.

Discussion followed on the subject of recomputation of disability benefits by local relief associations.

Tom Dickinson, Minneapolis Fire, indicated that their bylaws would have to be changed before disability recipients' benefits could be recomputed to service pensions.

Larry Martin explained briefly the recomputation of PERA-P&F disability benefits at age 55. He commented on the differences caused by PERA-P&F's 10 year vesting requirements as opposed to the 20 year vesting requirements of the majority of the local relief associations.

Procedure for the Determination of the Evidence of a Disability and Entitlement  
to Receive a Disability Benefit

Larry Martin went over the memo. The memo and the discussion that followed emphasized the following:

- a) To be entitled to a disability benefit, the person is required to obtain the status of being disabled and then retain that status;
- b) The status of being disabled is generally determined by the board of trustees, although some relief associations delegate their authority to someone else, often the city physician;
- c) Each relief association has a definition of disability, but the standards and criteria against which an applicant is judged are not clear;
- d) The determination of disability is a medical question but there may be problems with obtaining sufficient and complete medical evidence;
- e) Many relief associations make the determination of disability after receipt by the board of trustees of a medical report from either one or more physicians or from the board of examiners;
- f) Evidence indicates few relief associations require follow-up examinations; and
- g) Few relief associations are entitled to cut off benefits if a follow-up examination revealed that the person was no longer disabled.

Tom Dickinson, Minneapolis Fire, was asked if his association required follow-up examinations. He responded that some disabilitants have been recalled, but no one has passed the follow-up examination. He commented on the problems that would develop if the person passed the follow-up exam but the administration would refuse to recall the person to active duty: the association would be unable to pay the disability pension. He commented that without light duty jobs, all recalls for follow-up exams are unnecessary. He inquired about the policy of the statewide funds concerning follow-up physicals.

Larry Martin responded that follow-up physicals for statewide funds are required at the discretion of the administrator.

Karl Christey, Highway Patrol, who serves on the MSRS Board, commented that disabilitants are permitted to go to local doctors for follow-up exams.

Discussion followed regarding the topic of authority of relief associations to stop payments of disability benefits to persons no longer disabled.

Tom Dickinson, Minneapolis Fire, in response to questions from Representatives Rodriguez and Sarna, commented that although their bylaws say that the relief association cannot pay disability benefits to any person that does not seem to be disabled, the relief association only has the power to change the degree of disability, not to stop payment of all disability benefits.

Pre-Employment Screening to Determine Potential Disabilitants

Karen Dudley went over the memo. Discussion followed on certain aspects of pre-employment screening:

- a) Implementation of pre-employment screening would mainly benefit PERA-P&F because after June 15, 1980, all new hirees in the state receive coverage from PERA-P&F, except for hirees employed by the Crookston Fire, Faribault Fire and Faribault Police Departments;
- b) Any pre-employment screening plans must be set up carefully to avoid problems with federal and state discrimination laws; and
- c) An alternative to pre-employment screening could be a "second-injury" fund which could be established to provide compensation for the reinjury of preexisting physical impairments. The fund would be similar to the second injury fund of the Workers' Compensation program.

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