

# Life Plans



## **UNDERSTANDING DISABILITY BENEFITS**

*The Chicago Teachers' Pension Fund can help secure your future if you suffer from a permanent disability and are no longer able to work. This brochure outlines the options and benefits provided by duty disability benefits and disability retirement pensions.*

# Life Plans

## THE BASICS



The Chicago Teachers' Pension Fund (CTPF) offers two types of disability benefits:

- A duty disability benefit is available to contributors who become wholly and permanently incapacitated as the results of injuries sustained or a hazardous condition encountered in the performance of one's job. The contributor must be under age 65, and the injury must not have been the result of the contributor's own negligence.
- A disability retirement pension is available to contributors with a minimum of 10 years of service who become wholly and permanently incapacitated for duty as a result of illness or injury not related to the performance of one's duties.

\* *Being wholly and permanently disabled means you can no longer perform your duties and not expected to perform them again.*

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### **Duty Disability Benefit**

To apply for a duty disability benefit you must be under age 65 and your injuries or illness must have occurred in the performance of your job. You must also file a claim with the Illinois Workers' Compensation Commission. Application for the duty disability benefit must be made within 6 months of the occurrence of the disability or within 6 months of the date of settlement from the Illinois Workers' Compensation Commission. You must send a copy of the final settlement to CTPF.

Your personal physician and at least two physicians appointed by the CTPF Board of Trustees (CTPF Board) must certify your disability claim. The CTPF Board will review the physicians' reports and vote to approve or deny your duty disability application.

If you are approved for a duty disability benefit, CTPF will pay 75% of your salary and you will continue to earn service credit until you reach age 65. At age 65, your duty disability benefit will cease and you will receive a regular pension based on the service acquired through that date.

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### **Disability Retirement Pension**

To apply for a disability retirement pension you must have at least 10 years of service. Application for a disability pension must be made within three years of the date of your last CTPF contribution.

Your personal physician and at least two physicians appointed by the CTPF Board must certify your claim. The CTPF Board will approve or deny your application.

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## *How to Apply*

Upon request, the disability department can provide the disability application packet containing:

- Application for Disability Retirement Pension
- Employment Restriction Form
- Personal Physician Report – a doctor’s statement indicating the nature of the disability and verifying that the disability permanently incapacitates you and prevents you from returning to work
- Supplemental forms and a HIPAA Release Form granting CTPF permission to access your medical records

Upon receipt of your medical records, CTPF or its Independent Medical Evaluator will contact you to schedule two additional appointments with CTPF-appointed doctors.

### **STEP 1**

Your medical records are provided to two physicians appointed by the CTPF Board for an assessment. You meet with each physician for an examination.

Each physician will make an independent determination. If the physicians disagree, a third physician will perform an additional independent assessment.

### **STEP 2**

The medical assessments are provided to the CTPF Board for a decision.

### **STEP 3**

Based on the physicians’ findings, the CTPF Board either approves or denies your eligibility for a benefit. If approved, your disability benefit or pension shall be effective the day following your resignation from employment.

If the CTPF Board finds you do not meet the criteria, your application will be denied and you will be informed in writing of the decision. The review and approval process can take up to five months.

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## *Calculating the Duty Disability Benefit*

The duty disability benefit is 75% of your salary at the date of disability. Your CTPF benefit will be offset by any amount you receive from the Illinois Workers’ Compensation Commission. The benefit is payable until you reach age 65, at which time you will be entitled to a service retirement pension. While receiving the duty disability benefit, you continue to earn pension credit toward your service retirement.



## EXAMPLE

After 10 years of teaching, Sean, (age 47), was injured on the job and certified as “wholly and permanently disabled.” His salary at the date of disability was \$65,000.

Upon approval of his disability application, the CTPF Board approved Sean’s duty disability benefit of \$48,750 annually (75% of \$65,000). His duty disability benefit will be paid until Sean reaches age 65. At that time, Sean’s service credit will total 28 years (10 years + 18 years earned while receiving the duty disability benefit), and his service retirement pension will be calculated as follows:

$2.2\% * 28 \text{ years of service credit} * \$62,000 \text{ (final average salary)} = \$38,192^+$

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## Calculating a Disability Pension

If the CTPF Board approves your disability pension, the amount you receive depends on the combination of your salary, your service credit, and your age.

If you have 10 years or more of service credit when you are disabled, your pension is calculated:

$2.2 * \text{final average salary} * \text{years of service} +$

A disability pension is payable for your lifetime, provided you remain totally and permanently disabled. Should your medical condition improve and you are able to return to duty, your disability pension payments would immediately cease.

+ assumes the 2.2 upgrade has been paid.

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## Cancellation of a Disability Benefit

Your duty disability benefit or disability pension will terminate if you are no longer incapacitated or if you are reemployed. Periodically, the CTPF Board will require that your eligibility for disability benefits be recertified.

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## Health Insurance Benefits

CTPF provides a comprehensive program of health care coverage for retirees and their dependents. The brochure *Understanding Health Insurance* provides information on CTPF-sponsored health insurance plans, COBRA, Medicare, and the CTPF health insurance premium subsidy.

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## Survivor and Death Benefits

Upon your death, CTPF provides benefits to your eligible spouse and minor children. Find more information about survivor and death benefits in the brochure *Understanding Survivor and Death Benefits*, or contact Member Services.



## CONTACT INFORMATION

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