INTRODUCTION

The Municipal Employees’ Annuity and Benefit Fund of Chicago (the “Fund”) administers disability benefits provided by Chapter 40 Act 51 of the Illinois Compiled Statutes (the “Pension Code”) to active members of the Fund employed by the City of Chicago, the Chicago Board of Education, or the Fund (“Participants”).

The Fund is governed by a Retirement Board (the “Board”). At their monthly meetings, the Board approves or denies applications for disability benefits or the extension of such benefits.

The purpose of this document (the “Handbook”) is to assist Participants in understanding the disability benefits provided by the Pension Code. The benefits discussed in this Handbook were created by an act of the Illinois State Legislature, and as such, can be modified at any time. If at any time there is a difference between this Handbook and the Pension Code, the Pension Code will prevail. Every effort will be made to maintain timely changes to the Handbook based on changes to the Pension Code affecting disability benefits.

As of the effective date of this Handbook, the administrative procedures described within supersede all previous procedures required by the Fund, either verbal or written. Changes to procedures relating to applying for disability benefits may be made at any time by the Fund without prior notice. You are encouraged to review our website at www.meabf.org to stay abreast of any changes to benefit structure and the procedures regarding administering disability benefits. This Handbook includes:

1) A general overview of disability benefits by type
2) Universal eligibility requirements for the two types of disability benefits
3) An explanation of ordinary disability benefits
4) The process of applying for ordinary disability benefits
5) An explanation of duty disability benefits
6) The process of applying for duty disability benefits
7) The Fund’s procedures with respect to administering disability benefits
8) When you need to contact the Fund
9) Board approval of benefits

1 The Fund is governed by 40 ILCS 5/ Article 1, 8, and 20.
10) Termination of disability benefits

11) “Frequently asked questions” (FAQ)

12) Reporting of suspicion of fraud

13) General contact information

Please read the information in this Handbook carefully so you will have an understanding of your disability benefits and the process you must follow to obtain those benefits.
GENERAL OVERVIEW

Disability Benefits: By Type

A disability benefit is designed to provide compensation, in replacement of salary, for a Participant injured or suffering from an illness that prevents them from working. As a Participant, you are entitled to apply for and, if eligible, receive a benefit.

There are two types of disability benefits – (1) duty disability benefits and (2) ordinary disability benefits.

1. **Duty disability benefits** are available ONLY to active Participants who are disabled as the result of an injury or illness “incurred in the performance of an act or acts of duty.”

2. **Ordinary disability benefits** [non-duty] are available to those active Participants who are disabled “as the result of any cause other than injury or illness incurred in the performance of an act or acts of duty.”

A disabled Participant can only apply for one type of benefit. If the Fund receives applications for both duty and ordinary disability from a Participant for the same injury or illness, both will be denied.
Universal Eligibility Requirements

The disability benefits provided in the Pension Code are *employee* benefits. If service is separated with your employer, you are no longer eligible for disability benefits.

Regardless of disability type (ordinary or duty), you must meet the requirements below:

1) Be a qualifying Participant at the time of injury/illness and at the time application is made

2) Be disabled (a) at the time of application (*unless there is reasonable cause of delay as determined by the Board*) and (b) during the entire requested/granted benefit period

3) Be examined by a licensed and practicing physician appointed by the Board at least once a year

4) Not receive all or any portion of salary from the City of Chicago or Chicago Board of Education during any period for which the disability benefit is paid; (i.e., be in a “no pay” status)

5) Not be employed and in receipt of salary by any public body supported in whole or in part by taxation during the period of time for which disability benefits are received

6) Compensation from outside private employment during time of disability must be disclosed to the Fund. If the total of your compensation from outside employment plus your entitled Fund disability benefit and any amounts received from Workers’ Compensation, equals or exceeds your salary at time of injury/disablement, your benefit from the Fund will be reduced or possibly eliminated.

2 The Fund *does not* consider the following as Participants:

1) Employees who work in positions ordinarily not requiring at least four months of service during a calendar year if salary is arranged on a monthly basis, or 700 hours of service during a calendar year if salary is on a hourly basis, and certain minimum periods for persons with salaries arranged on a weekly or daily basis.

2) Employees working for the Employer while receiving an annuity from the Chicago Policemen’s, Firemen’s, or Laborers’ Pension Funds (other than a spouse annuity).

3 (40 ILCS 5/8-163) (from Ch. 108 1/2, par. 8-163)

Sec. 8-163. When disability benefit not payable.

(b) Disability benefit shall not be paid for any time for which the employee receives any part of his salary or is employed by any public body supported in whole or in part by taxation.

4 40 ILCS 5/8-163(d) An employee who enters service after December 31, 1987, or an employee who makes application for a disability benefit or applies for a disability benefit for a recurrence of a previous disability, and who, while in receipt of an ordinary or duty disability benefit, assumes any employment for compensation, shall not be entitled to receive any amount of such disability benefit which, when added to his compensation for such employment during disability, plus any amount payable under the provisions of the Workers' Compensation Act or Workers' Occupational Diseases Act, would exceed the rate of salary on which his disability benefit is based. (Source: P.A. 85-964, eff. 12-09-87.)
ORDINARY DISABILITY

Amount

Ordinary disability provides a benefit payment equal to 50% of salary at the date of actual disability for eligible Participants. The salary used to compute the disability benefit is the Participant’s straight time salary and excludes overtime pay.

Calculating Your Start Date

Ordinary disability benefits are not paid for the first 30 days of disability. The benefit payment period for an approved application begins after the first 30 days of disability, provided you are in a “no pay” status with your employer. If you remain in a “pay” status beyond the first 30 days, the disability benefit period will begin on the first date following the last date salary is paid.

Example 1) Participant’s last day physically at work is July 15, 2013 but he remains in receipt of pay through August 2, 2013. The Fund begins paying the ordinary disability benefit for the period beginning August 15, 2013 (31st day after July 15, 2013).

Example 2) Participant’s last day physically at work is July 15, 2013 but he remains in receipt of pay through August 31, 2013. The Fund begins paying the ordinary disability benefit for the period beginning September 1, 2013 (day after last day salary is paid).

Maximum Benefit Time Period

Eligible Participants are entitled to receive ordinary disability benefits for a period equal to one quarter (¼) of the length of their Fund service credit, not to exceed a period of 5 years.

Application Timing

An application must be made while the disability exists unless the Board finds reasonable cause for delay in filing. Once you submit your application, you are allowed 90 days to submit all necessary supporting documentation for your application. If documentation is not received within the requested 90 days, an additional 30 days extension may be granted. Failure to complete an application in a timely fashion may result in the denial of the benefit application.

Application for ordinary disability benefits requires certification, under oath, that injury/illness was/is not related to a duty injury. Participants are advised that filing a false statement on an application for ordinary disability benefits may be reported to the State’s Attorney in accordance with Public Act 97-0651.

Ordinary disability benefits cannot be paid retroactively for any period of time more than one year prior to the date of application with the Fund.
How to Apply for an Ordinary Disability Benefit

Prior to applying for ordinary disability benefit with the Fund, the Participant must first contact his employer and request a medical leave of absence. A Participant wanting to apply for an ordinary disability benefit should contact the Fund office at (312) 379-2122, (312) 379-2123 or (312) 379-2124, Monday through Friday between the hours of 8:00 am and 4:30 pm to request an ordinary disability application. An application for ordinary disability will require the following:

1) Application for ordinary disability benefits* (Participant completes)
2) Medical Examiners’ Certificate for disability benefits* (Participant, Participant’s physician and Board appointed physician completes)
3) Copy of Approved Medical Leave of Absence Form (Participant receives from the employer)
4) Payroll verification regarding last day on payroll and last day worked (Fund requests and receives from employer after Participant submits the application for disability benefits to the Fund).
5) Participants may be required to submit to examinations by the Fund doctor upon request for extension. Failure to comply may result in the forfeiture of ordinary disability benefits.

*Application and forms must be complete and legible. Applications that are incomplete or illegible will be returned to the Participant for proper completion. Failure to submit a complete application may delay the start of benefits or result in the denial of the benefit application.
DUTY DISABILITY

Amount

Duty disability provides a benefit payment for eligible Participants equal to 75% of salary on date of injury or 50% if the disability resulted from any physical defect or disease that existed at the time injury was sustained. If the disability benefits continue for more than 5 years, on January 1 of the sixth year, such benefit will be increased by 10%.

Duty disability benefit payments are subject to an offset/reduction by any payment or settlement received from the City of Chicago or the Chicago Board of Education under the Workers’ Compensation Act or the Workers’ Occupational Disease Act.

It is the responsibility of the Participant to notify the Fund of any payment or settlement received based on his or her injury. A complete copy of the award or settlement must be provided to the Fund. Failure to do so can lead to the reduction of award or benefits and the collection of any prior benefits improperly received.\(^5\)

Maximum Benefit Time Period

For disability beginning before age 60, a benefit is payable until the Participant attains age 65. If disability commences after age 60, the benefit is payable during the disability for a period not to exceed 5 years. Disability payments shall cease when a participant is found to no longer be disabled.

Workers’ Compensation

Before any action can be taken by the Fund on an application for duty disability, a Participant must file a timely claim for Workers’ Compensation with their employer. An applicant must begin to receive payment for the claim or the claim must otherwise be finally adjudicated before the Fund can either approve or deny the application for duty disability.

The Participant is required to maintain a complete application with the Fund while awaiting a decision on their Workers’ Compensation claim. A participant is not allowed to apply for ordinary disability for the same injury or illness that is the basis of the participant’s duty application.

\(^5\) (40 ILCS 5/8-163) (from Ch. 108 1/2, par. 8-163)
Sec. 8-163. When disability benefit not payable.
(a) If an employee receiving duty or ordinary disability benefit refuses to submit to examination by a physician appointed by the board, or fails or refuses to consent to and sign an authorization allowing the board to receive copies of or examine the employee's medical and hospital records, or fails or refuses to provide complete information regarding any other employment for compensation he has received since he has become disabled, he shall have no further right to receive the benefit.
Application Timing

Once you submit your application, you are afforded 90 days to submit all necessary supporting documentation for your application. If documentation is not received within the requested 90 days, an additional 30 days extension may be granted. Failure to complete an application in a timely fashion may result in the denial of the benefit application.

Duty disability benefits cannot be paid retroactively for any period of time more than one year prior to the date of application with the Fund.

Child Benefit

A Participant that is in receipt of a duty disability benefit is also entitled to receive an amount of $10 per month on account of each unmarried child less than the age of 18, provided that the child’s disability benefit does not exceed 15% of such Participant’s salary at the date of injury. The total duty disability benefit and child’s duty disability benefit combined may not exceed 90% of the member’s salary at the time.

Exceptions

In accordance with 40 ILCS 5/8-161.1(a), Disablement because of commonly termed heart attacks or strokes or any disablement falling within the broad field of coronary involvement or heart disease, shall not be the result of an accidental injury incurred in the performance of duty.
How to Apply for a Duty Disability Benefit

If you are disabled as the result of an injury or illness “incurred in the performance of an act or acts of duty” you must file an accident report and a claim for Workers' Compensation Benefits through your employer prior to applying for a duty disability benefit with the Fund.

A Participant wanting to apply for a duty disability benefit should contact the Fund office at (312) 379-2122, (312) 379-2123 or (312) 379-2124, Monday through Friday between the hours of 8:00 am and 4:30 pm. An application for duty disability will require the following:

1) Application for duty disability benefits * (Participant completes)
2) Accident Report (Participant files with the employer)
3) Physician’s Statement *(from treating physician)
4) Payroll information regarding last day on payroll and last day worked (Fund requests and receives from employer after Participant submits the application for disability benefits to the Fund)
5) Birth certificates for Participant’s minor children under age 18. Participant’s name must be listed as a parent on the child’s birth certificate. (Participant provides)

*Application and forms must be complete and legible. Applications that are incomplete or illegible will be returned to the Participant for proper completion. Failure to submit a complete application may delay the start of benefits or result in the denial of the benefit application.
Administrative Procedures

Universal Procedures:

1) Application must be made while the Participant is an active employee and Fund member.
2) Any submitted documentation without an actual application on file with the Fund, will be held for 90 days. If an application is not submitted during this time, no action will be taken on the matter. The Fund will maintain a copy and return the original miscellaneous documentation to the Participant.
3) A warrant is required to be completed by the Participant each month to receive the disability payment. Disability checks are mailed to the Participant 5 mailing days before the end of the month, provided the Participant has returned their warrant stating that they are still disabled, have not returned to work, and have not resigned or been terminated from employment.
4) If the Fund has not received a disability check warrant, phone call, or correspondence from the Participant within 3 months of holding their check(s), the disability check(s) will be cancelled. When the employee contacts the Fund and any necessary paperwork is received, the disability payments will be re-instated if the participant remains eligible.
5) If a Participant receiving duty or ordinary disability receives a retroactive pay increase that changes the salary that the disability benefit was based on, the disability benefit will be adjusted and a retroactive disability payment paid.

Ordinary Disability Procedures (Only):

1) If a Participant will be off work due to an illness, the Participant must be on a current medical leave of absence (LOA) and must be treated by his or her attending physician for said illness. This leave of absence must be kept up to date (extended with the employer when needed) and approved copies must be submitted to the Fund.
2) All complete ordinary disability applications will be processed by the Fund and held pending a final decision by the Retirement Board. The Participant is required to maintain his or her leave of absence with their employer as well as a completed application with the Fund. Failure to maintain a completed application with the Fund will result in a recommendation to the Board for denial of benefit.
3) If a Participant who is receiving ordinary disability benefits returns to work after being released to return to work by the attending physician and within one month of returning to work becomes disabled due to a re-occurrence of the illness/injury, the Participant would be re-instated to ordinary disability without being subject to another 30 day unpaid waiting period.
Duty Disability Procedures (Only):

1) If an injury or illness occurred while in the performance of an act of duty, a Participant must first file an accident report with his employer and apply for Workers’ Compensation benefits through his employer and then submit an application for duty disability benefits with the Fund.

2) The Participant must be on a duty leave of absence with his employer to be eligible for duty disability.

3) All duty related applications will be held pending a final decision from Worker’s Compensation. The Participant is required to maintain a complete application with the Fund while awaiting a decision on their Workers’ Compensation claim. Failure to maintain an application with the Fund will result in a recommendation to the Board for a denial of benefit.

4) A Participant receiving duty disability benefits from the Fund must inform the Fund in a timely manner that he has eligible minor children under the age of 18. The $10.00 per month child benefit will not be paid for any period prior to one year from the date the Participant provides the child’s birth certificate to the Fund. The Participant’s name must be listed as the child’s parent on the child’s birth certificate.

5) A Participant claiming duty disability benefits may not apply for ordinary disability benefits for the same injury or illness.

6) A Participant must apply for duty disability benefits in order to receive pension credit.
WHEN TO CONTACT THE FUND

A Participant receiving disability benefits from the Fund must contact the Fund if any of the following events occur:

1) Participant returns to work
2) Participant is released to return to work by his attending physician even though a position may not be available
3) Participant, while in receipt of Fund disability benefits, receives additional pay from his employer that was not previously reported to the Fund
4) Participant is separated from his employment through resignation or termination
5) Participant’s leave of absence ends
6) Participant receives a payment or settlement for a duty injury from his employer or Workers’ Compensation
7) Participant assumes any employment for compensation
8) Workers’ Compensation ceases or suspends their benefit

BOARD DECISION

Once an application is complete and all required support documentation is received, the application will be presented to the Board for consideration at a regularly scheduled meeting. Notice of the Board’s determination to a Participant’s application will be communicated to the Participant in writing.

Should an application be denied, the Fund will provide information regarding the reason for denial. If the Participant disputes denial of benefits, a request for reconsideration may be sent in writing to the Fund’s Disability Supervisor, which shall include the reasons why the application should be reconsidered and any new documentation supporting the Participant’s request.
TERMINATION OF BENEFIT

Disability benefits will cease upon:

1. Date the disability ceases
2. Release by Participant's attending physician to return to work
3. Resignation or termination of employment
4. Death of recipient
5. Granted disability period ends
6. Workers’ Compensation ceases or suspends their benefit
7. Statutory maximum allowance is met
8. Refusal to submit for examination or participate in an IME (independent medical examination) at the request of the Fund
9. Employment by a Public Body supported by taxation
10. Failure of Participant to submit medical and leave of absence documents required by the Fund to extend disability benefits
Frequently Asked Questions

Q: Do I receive pension credit while I am on disability?
A: A participant receives pension credit while in receipt of disability benefits from the Fund. The pension contributions necessary to receive pension credit are paid into the Fund on the Participant’s behalf. These pension contributions are used to calculate a monthly retirement benefit and are not refundable.

Q: When are disability checks issued by the Fund?
A: Disability checks are payable on the last day of each month. Disability recipients are required to complete a warrant each month before their disability check is mailed.

Q: How long does it take to process a case?
A: Each case is unique, so processing times vary, but generally it takes approximately 6 to 8 weeks to process a claim after a completed application is received by the Fund.

Q: Are the disability benefits I receive from the Fund deducted from my pension contributions? Do I have to pay this money back?
A: Disability benefits are not paid from your pension contributions and do not have to be repaid. The Fund, however, will recoup any overpayment of benefits paid to a Participant through misrepresentation, fraud or error.

Q: Are disability benefits taxable?
A: Duty disability benefits paid by the Fund are not subject to Federal Income Tax. Ordinary disability benefits are considered income and are subject to Federal Income Tax. However, both duty and ordinary disability benefits are currently not subject to State of Illinois Income Tax.

Q: What happens to my health and life insurance coverage while I am in receipt of disability benefits from the Fund?
A: The disability benefits you receive from the Fund do not include health and life insurance. You must contact your employer regarding the continuation of your health and life insurance.

Q: Does the Fund offer direct deposit for disability payments?
A: All disability payments issued by the Fund are mailed to the recipient, as disability checks are no longer available for pick-up at the Fund office. The Fund does not currently offer direct deposit for disability payments. It is important for the Participant to inform the Fund in writing regarding any address changes.
Q: When I applied for disability benefits, my doctor stated that I was permanently disabled. I have been receiving disability benefits from the Fund for almost a year, and now I am told by Fund staff that I have to see my doctor again and have him complete another medical form. Why must I, if I am permanently disabled?
A: The Pension Code requires that all Participants receiving disability benefits from the Fund must be examined by a licensed physician at least once a year.

Q: My husband recently became disabled due to a stroke and is unable to complete the paperwork to apply for disability benefits. Can I complete and sign the disability application for him?
A: If you have a Power of Attorney for Property for your husband, you would need to submit it to the Fund for review and if it is accepted, you could sign the disability forms on behalf of your husband. If you do not have a Power of Attorney for your husband, contact the Fund’s Disability Supervisor for further information.
**Reporting of Suspicion of Fraud**

Any person that misrepresents or falsifies information in connection with an application for disability benefits from the Fund may be subject to criminal prosecution.

Sec. 1-135 of the Pension Code specifically provides: “Any person who knowingly makes any false statement or falsifies or permits to be falsified any record of a retirement system or pension fund created under this Code or the Illinois State Board of Investment in an attempt to defraud the retirement system or pension fund created under this Code or the Illinois State Board of Investment is guilty of a Class 3 felony.”

The Board may retain out of any future annuity, refund or disability benefit payments, amounts required for the repayment of any moneys paid through misrepresentation, fraud or error.
General Contact Information

Mailing Address:

Municipal Employees’ Annuity & Benefit Fund of Chicago
321 N. Clark St.
Room 700
Chicago, IL 60654-4767

Telephone Numbers:

General: (312) 236-4700

Disability representatives:
(312) 379-2122
(312) 379-2123
(312) 379-2124

Disability Fax Number: (312) 527-0192