

VILLAGE PRESIDENT
Ray Danford

VILLAGE CLERK
Jerry Menard

VILLAGE TRUSTEES
Rita Baker
Charlie Mattern
Kevin Groth
Corby Valentine
Steve Smith
Tony Miller

VILLAGE OF FREEBURG

FREEBURG MUNICIPAL CENTER
14 SOUTHGATE CENTER, FREEBURG, IL 62243
PHONE: (618) 539-5545 • FAX: (618) 539-5590
Web Site: www.freeburg.com

VILLAGE ADMINISTRATOR
Dennis Herzing

VILLAGE TREASURER
Bryan A. Vogel

PUBLIC WORKS DIRECTOR
Ronald Dintelmann

POLICE CHIEF
Melvin E. Woodruff, Jr.

VILLAGE ATTORNEY
Stephen R. Wigginton

October 6, 2008

NOTICE

MEETING OF PERSONNEL & PUBLIC SAFETY COMMITTEE (Personnel/Police/ESDA/Fire) (Baker/Smith/Mattern)

A Personnel and Public Safety Committee Meeting of the Village of Freeburg will be held at the Municipal Center, Executive Board Room, **Wednesday, October 8, 2008, at 5:30 p.m.**

PERSONNEL AND PUBLIC SAFETY COMMITTEE MEETING

I. Items to be Reviewed

POLICE COMMITTEE:

- A. Old Business
 - 1. Curfew ordinance
- B. New Business
 - 1. IMRF Disability Information

PERSONNEL COMMITTEE:

- A. Old Business
 - 1. Approval of September 11, 2008 minutes
 - 2. Health insurance renewal
 - 3. Sexual harassment policy
 - 4. Employee badges
 - 5. Employee handbook
 - 6. Evaluation of Village Administrator position
- B. New Business
 - 1. Holiday Schedule
- C. General Concerns
- D. Public Participation
- E. Adjourn

At said Personnel Meeting, the Village Trustees may vote on whether or not to hold an Executive Session to discuss the selection of a person to fill a public office [5 ILCS, 120/2 - (c) (3)], litigation [5 ILCS, 120/2 - (c)(11)] personnel [5 ILCS, 120/2 - (c) (1) a.]; or real estate transactions [5 ILCS, 120/2 - (c)(5)].

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PERSONNEL AND PUBLIC SAFETY COMMITTEE MEETING Wednesday, October 8, 2008 at 6:30 p.m.

Chairperson Rita Baker called the meeting of the Personnel and Public Safety to order on Wednesday, October 8, 2008 at 6:32 p.m. Those present were Chairperson Rita Baker, Trustee Steve Smith, Trustee Charlie Mattern, Mayor Ray Danford, Village Clerk Jerry Menard, Administrator Dennis Herzing, Chief Mel Woodruff and Office Manager Julie Polson.

A. OLD BUSINESS:

1. Curfew Ordinance: Steve has not heard back from Frank. Mel has nothing new to report.

Mel reported the car was delivered late last night. He advised the committee John Cappello is back from Iraq and will be back on the schedule October 20th.

B. NEW BUSINESS:

1. IMRF Disability Information: An explanation of the disability program through IMRF was attached to the packet for informational purposes.

Chief Woodruff left the meeting.

PERSONNEL COMMITTEE:

A. OLD BUSINESS:

1. Approval of September 11, 2008 minutes: *Trustee Charlie Mattern motioned to approve the September 11, 2008 minutes and Trustee Steve Smith seconded the motion. All voting aye, the motion carried.*

2. Health insurance renewal: Julie advised when she had called municipalities for information on their health insurance program, Waterloo's insurance provider called asking to quote our plan. Julie talked to him this week and gave him the basic information in order for him to start the quote process. His name is Bill Schmaltz from Einstein Consulting Group out of St. Louis.

3. Sexual harassment policy: Julie is working on putting that together from the information provided at the seminar.

4. Employee badges: Julie is in the process of getting the remaining pictures taken.

5. Employee handbook: Julie has not started on it yet. Steve has not gotten any job descriptions yet. Julie is also trying to get an updated evaluation form to use in performance evaluations.

6. Evaluation of Village Administrator Position: Nothing new.

Personnel/Police Committee Meeting
Tuesday, October 8, 2008
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B. NEW BUSINESS:

1. Holiday Schedule: Dennis advised the committee the Public Works employees are requesting the Village close on December 26th. Dennis said an option would be to move the Christmas Eve holiday to that Friday, the 26th, and be open on Christmas Eve until noon. The employee could use 4 hours of vacation for the remainder of that day. The public works employees also would like to take a vacation day on Friday, January 2nd. The office staff advised it was less important to have that day off. Charlie said we can't force someone to take vacation. If an employee does not have vacation time, they would be able to use comp time. The committee agreed to stay open on January 2nd and allow the public works department to take that as a vacation day. The committee also agreed to close at noon on Christmas Eve and have the employee take vacation or comp time. The Village will be closed on December 26th.

C. GENERAL CONCERNS: None.

D. PUBLIC PARTICIPATION: None.

ADJOURN: *Trustee Steve Smith motioned to adjourn at 6:57 p.m. and Trustee Charlie Mattern seconded the motion. All voting aye, motion carried.*



Julie Polson,
Office Manager

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PERSONNEL AND PUBLIC SAFETY COMMITTEE MEETING
Tuesday, September 16, 2008 at 5:30 p.m.

Chairperson Rita Baker called the meeting of the Personnel and Public Safety to order on Tuesday, September 16, 2008 at 5:38 p.m. Those present were Chairperson Rita Baker, Trustee Steve Smith, Trustee Charlie Mattern, Administrator Dennis Herzing, Chief Mel Woodruff, Office Manager Julie Polson, Greg Eckels and Tim Kunkelmann.

POLICE DEPARTMENT EXECUTIVE SESSION 5:39 P.M.

*Trustee Charlie Mattern motioned to go into Executive Session at 5:39 p.m. to discuss personnel issues (5 ILCS 120/2-(c)(1)(a) and also litigation (5 ILCS 120/2-(c)(11) and Trustee Steve Smith seconded the motion. **ROLL CALL VOTE:** Trustee Charlie Mattern - aye; Trustee Steve Smith - aye; Trustee Rita Baker - aye. All voting aye, the motion carried.*

Trustee Steve Smith motioned to end Executive Session at 7:08 p.m. and return to regular session and Trustee Charlie Mattern seconded the motion. All voting aye, the motion carried.

EXECUTIVE SESSION ENDED 6:10 P.M.

Chairperson Rita Baker reconvened the regular session of Personnel/Police Committee Meeting at 6:12 p.m.

A. OLD BUSINESS:

1. Curfew Ordinance: Steve said he talked to Frank Heiligensten who is doing some research to see what other municipalities are using this and issuing violations. Mel will access the county system to see how many noise violations have been issued.

Mel reported the car should be set up for delivery within a week to ten days.

B. **NEW BUSINESS:** None. Chief Woodruff left the meeting.

PERSONNEL COMMITTEE:

A. OLD BUSINESS:

1. Approval of August 13, 2008 minutes: Trustee Charlie Mattern motioned to approve the August 13, 2008 minutes and Trustee Steve Smith seconded the motion. All voting aye, the motion carried.

2. Health insurance renewal: Nothing new.

Personnel/Police Committee Meeting
Tuesday, September 16, 2008
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3. Sexual harassment training: The training has been completed.
 4. Employee badges: Julie is in the process of getting the remaining pictures taken.
 5. Employee handbook: Julie has not started on it yet. Steve has not gotten any job descriptions yet.
 6. Evaluation of Village Administrator Position: Nothing new.
- B. NEW BUSINESS:** Greg Eckels asked if we could get additional dependent life insurance coverage. Julie will check into it.
- C. GENERAL CONCERNS:** None.

**EXECUTIVE SESSION
6:20 P.M.**

Trustee Charlie Mattern motioned to go into Executive Session at 6:20 p.m. to discuss personnel issues (5 ILCS 120/2-(c)(1)(a) and Trustee Steve Smith seconded the motion.
ROLL CALL VOTE: Trustee Charlie Mattern - aye; Trustee Steve Smith - aye; Trustee Rita Baker - aye. All voting aye, the motion carried.

Trustee Steve Smith motioned to end Executive Session at 6:55 p.m. and return to regular session and Trustee Charlie Mattern seconded the motion. All voting aye, the motion carried.

**EXECUTIVE SESSION ENDED
6:55 P.M.**

Chairperson Rita Baker reconvened the regular session of Personnel/Police Committee Meeting at 6:55 p.m.

- D. PUBLIC PARTICIPATION:** None.

ADJOURN: *Trustee Steve Smith motioned to adjourn at 6:56 p.m. and Trustee Charlie Mattern seconded the motion. All voting aye, motion carried.*



Julie Polson,
Office Manager

5.30 E. Federal Income Taxes on Death Benefits**1. Death of Member In Participating Status****(a) Lump Sum Death Benefit**

The benefit is subject to federal income tax, except that portion attributable to previously taxed IMRF member contributions. Certain beneficiaries may be allowed to choose forward averaging to compute the tax. Surviving spouses may roll over the taxable amount into a traditional (not a Roth) IRA account, qualified plan, 457 or 403(b) plan.

IMRF is required by federal tax law to withhold 20% of the taxable portion of the lump sum benefit paid to a surviving spouse unless the spouse elects to have the taxable portion directly transferred to a traditional (not a Roth) IRA, qualified plan, 457 or 403(b) plan. The non-taxable portion may be rolled over into a traditional IRA or a qualified plan. (See Exhibit 5L, Form BW-60, "Distribution/Rollover Certification.") Beneficiaries other than a surviving spouse may elect to have 10% federal tax withheld from the taxable portion of the death benefit.

A surviving spouse who does not ask for a direct rollover has 60 days after receipt to make a rollover to a traditional IRA, qualified plan, 457 or 403(b) plan, provided by section 402(c) of the Internal Revenue Code. If a surviving spouse is entitled to use 10-year averaging to limit tax liability, this option should be weighed against the rollover option.

(b) Lump Sum Death Benefit Taken In Monthly Installments (Beneficiary Annuity)

The monthly payments are subject to federal income tax, but not that portion attributable to the deceased's previously taxed IMRF member contributions. The amount of the monthly payment not subject to federal taxes varies depending upon the amount of the deceased's previously taxed IMRF member contributions and the age of the beneficiary. The taxable amount of each annuity payment is computed using the same basic formula as retirement pensions.

(c) Surviving Spouse Pension plus \$3,000

The \$3,000 death benefit is a taxable distribution. However, the surviving spouse can consider two options: having the \$3,000 made payable to the spouse or rolling it over into a traditional (not a Roth) IRA, qualified plan, 457 or 403(b) plan. If the \$3,000 is rolled, IMRF will report a taxable amount of \$0.

The surviving spouse pension is subject to federal income tax but not that portion attributable to the deceased's previously taxed IMRF member contributions.

2. Death of Member in Non-Participating (Inactive) Status**(a) Return of IMRF Member Contributions and Interest**

Returned previously taxed IMRF member contributions are not subject to federal income tax but 414(h) tax-deferred member contributions and the interest are taxable.

(b) Surviving Spouse Annuity

The income tax treatment is the same as that described in subparagraph 1(c) above.

3. Death of a Person Receiving an IMRF Retirement Pension

(a) Surviving Spouse Pension

The surviving spouse pension is subject to the same federal income tax treatment as the IMRF retired member's pension. The spouse may exclude from income the same dollar amount or percentage of each pension payment that the IMRF member was allowed to exclude until all previously taxed member contributions have been recovered. When all the previously taxed contributions have been recovered, the entire pension will be subject to federal income tax. IMRF will inform the spouse when the pension becomes taxable.

(b) Reversionary Annuity

The reversionary annuity (see paragraph 5.20B.13) income tax treatment is the same as described in 3(a) above.

(c) Return of Unused Contributions

If the deceased retired member left no surviving spouse eligible for a surviving spouse pension, and IMRF pays to the beneficiary the excess of the member's contributions with interest to date of retirement over the pension payments made to the date of death, the beneficiary receiving this payment may take a tax deduction equal to the amount of unrecovered previously taxed IMRF member contributions.

5.30 F. Illinois Income Tax on Death Benefits

Section 203(a)(2)(F) of the Illinois Income Tax Act provides that death benefit payments by IMRF are exempt from Illinois Income tax.

5.40 Disability Benefits

IMRF has developed a disability procedure checklist to assist authorized agents with a member's application for IMRF disability benefits. Refer to the IMRF Forms Chart in the front of this manual.

IMRF provides two types of disability benefits: (1) temporary, and (2) total and permanent. Temporary disability benefits are paid when a member is unable to perform the duties of any position which might reasonably be assigned by the current IMRF employer.

Whenever IMRF awards disability benefits, the initial classification is temporary, regardless of the severity of the disability. Total and permanent disability benefits are paid after temporary disability benefits have expired and if the member is unable to engage in any gainful activity for any employer.

Note: if the member is participating in the Elected County Official Plan (ECO), eligibility for disability benefits and the amounts payable under the ECO plan differ from disability benefits under the Regular IMRF or SLEP plans. Please refer to the ECO Member or Employer booklets.

5.40 A. Eligibility for IMRF Disability Benefits

1. Temporary Disability Benefits

Temporary disability benefits are paid for a period of time equal to one-half of the member's credited service, but not more than 30 months. For example: if the member has one year of IMRF service credit, six months are payable. With five or more years of service credit, 30 months of benefits are payable, provided the member is disabled that long.

Temporary disability benefits are payable under the following conditions:

- (a) The member is disabled by a physical or mental condition (sickness or injury) which makes the member unable to perform the duties of any position that might reasonably be assigned by his or her employer. Disability benefits are paid irrespective of the cause of disability, including elective surgery and pregnancy. The only exceptions are self-inflicted injury and narcotic drug addiction.
- (b) The member must have at least 12 consecutive months of IMRF service credit since being enrolled in IMRF and he or she must have service credit in each of the 12 months immediately preceding the date of disability.

However, if the member has a one-, two-, or three-month gap in service within those preceding 12 months, he or she may still be eligible for IMRF disability if the member:

- has 12 consecutive months of service credit prior to the gap in service and
- participated with the same IMRF employer immediately before and after the gap.

A member is not eligible if he or she is disabled prior to meeting these service requirements even though the member is carried on his or her employer's payroll after being disabled past the first anniversary date of participation.

Exceptions to the service requirement:

- (1) If the member had 20 years or more of IMRF service credit, stopped participating in IMRF and did not take a separation refund nor a retirement pension, he or she is immediately eligible for IMRF disability benefits once the member returns to participating status,
OR
- (2) If the member's employer just joined IMRF, the member may be eligible without meeting the one-year service requirement, if he or she meets all of the following conditions:
 - (a) the member became disabled after his or her employer began participating in IMRF, and
 - (b) the member was employed in a qualifying position for at least five years before his or her employer joined IMRF. (If necessary, the member will be required to pay for enough prior service to have at least five years of service credit. See Paragraph 6.40.6.)
and
 - (c) the member was employed the entire year preceding the date he or she became disabled.

If the member participates in IMRF as an elected official, he or she may apply for IMRF disability benefits if the member meets the service credit requirements. However, if the claim is approved, before IMRF can pay a disability benefit the member will have to cease earning income through his or her elected office.

Because elected officials are paid as long as they hold office, the member would need to resign in order to collect IMRF disability benefits. The member would send to IMRF a copy of his or her resignation letter along with a copy of the minutes from the meeting at which the member's Board (governing body) accepted the resignation.

If the member wishes, he or she can remain in office and complete the term. If after completing the term of office the member is still disabled, he or she will remain eligible for disability benefits. The member could begin receiving IMRF disability benefits at that time.

If the member works in a seasonal position and becomes disabled during a month in which he or she is not working (the "off season"), the member is still eligible to file for IMRF disability benefits and is encouraged to do so.

If the member works as a law enforcement officer, correctional officer, or firefighter, he or she is covered under the Public Employee Disability Act, Illinois statute (5 ILCS 345/0.01 et seq.). This statute provides for the continuation of compensation for law enforcement officers, correctional officers, and firefighters who suffer a disabling injury in the line of duty. If the member is eligible for a pay continuation under this statute, he or she is not eligible for IMRF disability benefits until these payments stop—provided the member continues to be disabled. However, if the member meets the other service credit requirements listed above and he or she will be disabled for more than one year, we recommend he or she submit a disability application after six months.

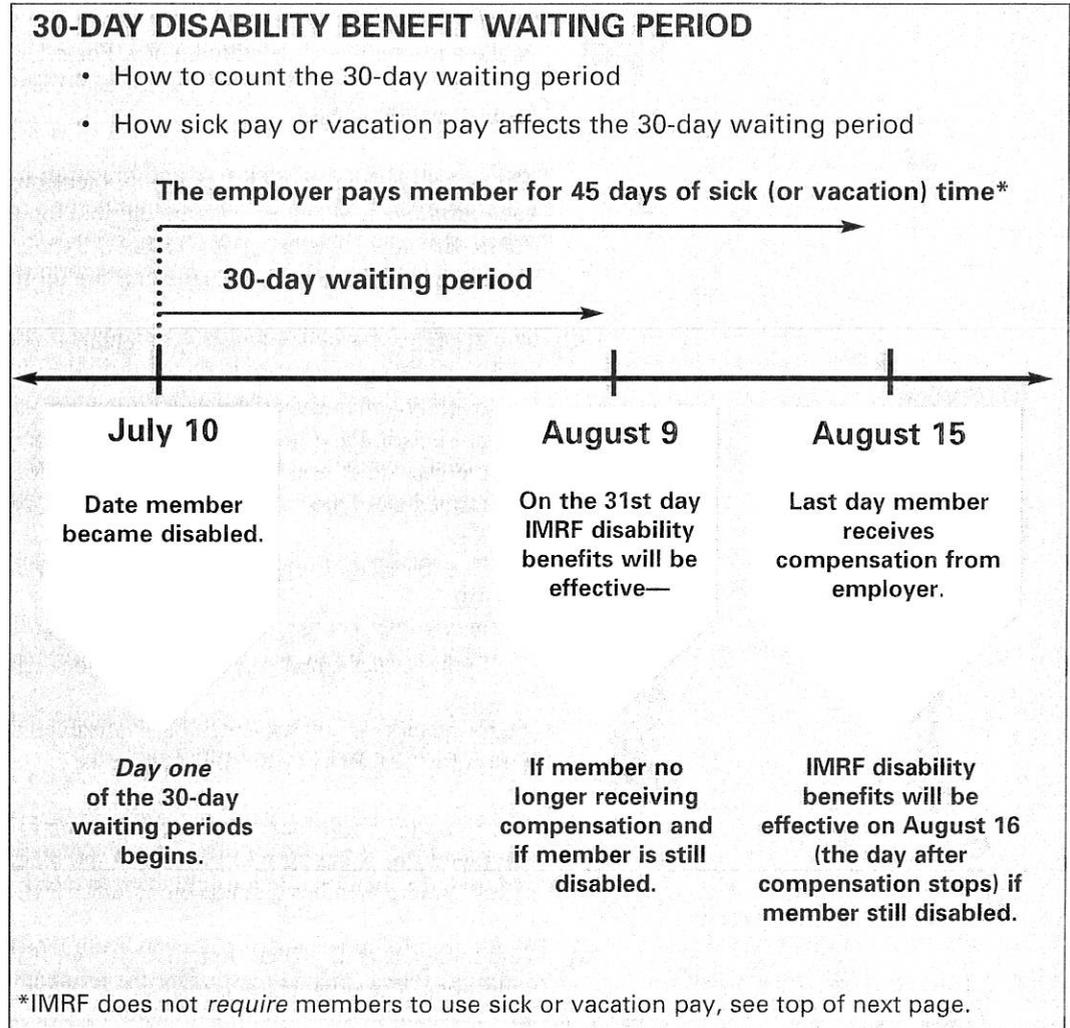
- (c) The disability has existed for at least 30 consecutive calendar days and the member is no longer receiving compensation from the employer.

Temporary disability benefits begin on the 31st day following the "date of disability." The date of disability refers to the date of the first medical treatment (the date of the first doctor visit) *after* the last day the member was physically present on the job. However, if the employer pays earnings which extend the period of compensation beyond the first 30 days of disability, IMRF temporary disability benefits will begin on the day after payment of such earnings has stopped.

For example, if a member is disabled on July 15 and receives sick or vacation pay through July 31, the IMRF disability benefit will begin on August 15. However, if the member receives earnings, sick pay, vacation pay, etc., which extend the compensation period through August 31, the IMRF disability benefit will begin on September 1.

The 30-day waiting period is counted from the date of disability (the date of the first medical treatment *after* the last day the member was physically present on the job) **and not** from the last day for which the member is paid by the employer.

See the diagram on the next page entitled "30-day disability benefit waiting period."



The 30-day waiting period applies to all disability claims, regardless of the type of claim. The member is not required to use up his or her sick pay or vacation pay before receiving disability benefits.

Exceptions to the 30-day waiting period (Re-occurrence of disabling condition)

If a member receives temporary or total and permanent disability benefits and returns to work, but within six months is again disabled by the same condition, the 30-day waiting period does not apply. IMRF disability benefit payments would begin the day following the last day the member received compensation from his or her employer and the date disabled.

For example:

After being disabled for seven weeks, a member returns to work on Monday, the 5th, and works through Wednesday, the 14th. He is again disabled by the same condition and does not work on Thursday or Friday. He receives salary for the 5th through the 14th.

IMRF disability benefit payments would begin Thursday, the 15th, assuming the member seeks medical treatment which certifies he is disabled. He will also need to submit a new IMRF Form 5.40, "Application for Disability Benefits," and

IMRF Form 5.42, "Physician's Statement—Disability Claim." In addition, his employer would need to submit a new Form 5.41, "Employer's Certificate of Disability," advising IMRF of the last date the member worked and the last date he was or will be paid.

The rules on the use of sick pay and vacation pay are established locally by each employer. Members who are eligible for a pay continuation under the Public Employee Disability Act (5 ILCS 345/0.01 *et seq.*) are not eligible for disability benefits until these payments are terminated.

- (d) The disability for which benefits are claimed is **not** the result of:
- (1) A disabling condition that occurred prior to January 1, 2002, and the condition that caused the disability is pre-existing. A condition is considered pre-existing and will be excluded from coverage if the member received medical treatment for the mental or physical condition within the three years immediately preceding the date he or she began participating in IMRF.
OR
 - (2) The disability is due to self-inflicted injury or to narcotic drug addiction.
OR
 - (3) The member is able to perform any duties which may reasonably be assigned by his or her employer, and the member refused the position.

A physician's report that a member is disabled may not always be sufficient reason for IMRF to pay disability benefits.

- (e) If the employer terminates the member's employment or if an elected official completes his or her term of office, but the member remains disabled by the same condition, the member remains eligible for IMRF disability benefits.
- (f) Temporary disability benefit payments from IMRF are terminated under certain conditions. The principal reasons for the termination of benefits are as follows:
- (1) The member has used up all temporary disability benefits, or
 - (2) The member returns to work, or
 - (3) Either the member's physician or a physician appointed by the employer or by IMRF reports that the member is able to return to work, even though there may not be a position available, or
 - (4) The member's employer accommodates physician-prescribed job restrictions (a light duty position with the same compensation), but the member refuses to return to work.
 - (5) The member refuses to submit to a physical examination requested by IMRF, or
 - (6) The member fails to submit a medical report from his or her physician certifying continuance of disability.

If a member is no longer disabled, but does not return to work immediately and the employer wishes to provide service credit, an IMRF Benefit Protection Leave (Form 6.32, see Paragraph 6.40.7.) may be awarded. Local leave policy without formal action does not protect the member.

If the member has **returned to work for his or her IMRF employer**, the member must file IMRF Form 6.32 no later than two years after the return to work. If the member has been at work for two or more years, he or she is not eligible for a Benefit Protection Leave.

If the member will **NOT return to work for his or her IMRF employer**, the member must file Form 6.32 immediately. If he or she does not file Form 6.32 immediately, the member may not be eligible for a Benefit Protection Leave

The total service a member can establish under the IMRF leave is limited to a maximum of 12 months during the member's lifetime, e.g., he or she may be granted a one-time leave of 12 months or several leaves totaling no more than 12 months. To establish the service, the member must pay the member contributions that would be due on his or her unpaid earnings.

If a member's temporary disability benefits run out and he or she is:

- (1) Eligible for IMRF total and permanent disability benefits, the member will continue to receive payments without interruption **if the member is approved prior to temporary disability benefits running out**. The member must also provide any updated medical information IMRF requests.
- (2) Not eligible for IMRF total and permanent disability benefits, IMRF will notify the member in writing. If the member does not return to participating employment and is:
 - (a) Not age 55 or does not have at least eight years of IMRF service credit, the member can receive a refund of his or her IMRF member contributions without interest.
 - (b) At least age 55 and has at least eight years of IMRF service credit, the member will be eligible for an IMRF pension.
 - (c) At least age 55 and has reciprocal service or past service he or she may purchase, the member may be eligible for an IMRF pension (the application for past service must be filed before the disability benefits terminate).

2. Total And Permanent Disability Benefits

Total and permanent disability benefits are payable when a member who has used up all temporary disability benefits is unable to engage in any gainful activity whatsoever, and the disability is expected to result in death or be of long and continued duration.

All total and permanent disability claims are subject to a pre-existing condition investigation unless the member has five or more years of IMRF service credit prior to the date of disability and the member did not receive IMRF disability benefits within those five years. The investigation may include obtaining physician and hospital records, independent medical examinations and other pertinent information.

A member can receive total and permanent disability benefits **only** after temporary disability benefits have been exhausted.

IMRF attempts to make a determination regarding eligibility for total and permanent disability benefits so that the member continues to receive monthly benefit payments without interruption.

Total and permanent disability benefits are payable on the first day of each month for the preceding month.

If the member becomes disabled before age 60, he or she may receive IMRF total and permanent disability benefits until the age when the member becomes eligible for Social Security full retirement benefits, assuming the member remains disabled.

If the member becomes disabled at age 60 or later, he or she may receive IMRF disability benefits for five years after the effective date of the member's disability benefit or until the age the member becomes eligible for Social Security full retirement benefits, whichever is greater, assuming the member remains disabled. The five-year period includes temporary disability and total and permanent disability combined. If the member receives IMRF disability benefits after becoming eligible for full Social Security retirement benefits, his or her IMRF disability will be reduced by the amount of the member's Social Security retirement.

Other reasons for terminating the payment of total and permanent disability benefits are as follows:

- (a) The member receives wages or other compensation in excess of \$6,000 per year for personal services from any source whatsoever, or
- (b) A report by a physician states that the member is no longer totally and permanently disabled, or
- (c) The member refuses to submit to a physical examination requested by IMRF, or
- (d) The member fails to submit any requested additional information, such as] a medical report from his or her physician to prove continuance of disability or a Social Security award letter, etc.

IMRF will notify the member when his or her total and permanent disability benefits stop. At that time, IMRF will advise the member of his or her eligibility for other IMRF benefits.

5.40 B. Amount of IMRF Disability Benefits

1. Amount Paid As IMRF Disability Benefit

The amount paid as an IMRF disability benefit depends on whether the member receives Social Security benefits, workers' compensation (including occupational disease) benefits, or has returned to work for a trial work period.

Calculating a member's "disability base pay"

The amount of a member's disability benefit is based upon his or her disability base pay. To calculate the disability base pay, IMRF totals the member's earnings for the 12 consecutive months prior to the month in which he or she became disabled then divides that amount by 12; the result equals the member's disability base pay. The disability base pay is also known as the member's "average monthly earnings."

The member may receive benefits from the following sources:

- (a) IMRF alone
- (b) IMRF and Social Security Disability or Social Security Retirement benefits
- (c) IMRF and workers' compensation
- (d) IMRF, Social Security Disability or Social Security Retirement benefits, and workers' compensation
- (e) Outside earnings

The amount IMRF pays as a disability benefit depends on whether the member receives Social Security benefits and/or workers' compensation (including occupational disease) benefits. The minimum amount the member can receive from all **five** sources is 50% of the member's average monthly earnings.

Please note: the same formula is used to calculate the disability base pay for both temporary and for total and permanent disability benefits. The member's disability base pay amount (average monthly earnings) does not change if the member's classification changes from temporary disability to total and permanent disability.

Outside (non-IMRF) disability insurance plans

If a member receives benefits from an outside (non-IMRF) disability insurance plan, that benefit payment will **not** impact the amount of the member's IMRF disability benefit.

In addition to monthly IMRF disability payments, the member's IMRF death and disability protection continues. The member also earns service credits toward retirement as if he or she were working. Future retirement benefits from IMRF will not be reduced because disability benefits are paid. The member's original salary, not the disability benefit amount, is used to determine the member's final rate of earnings (FRE) and to calculate a retirement benefit. As a result, the retirement benefit will not be affected by the amount of a member's disability benefits.

If death occurs while IMRF is paying disability benefits, the member's beneficiary will be eligible for death benefit options calculated in the same way as when an active member dies.

If a member works in a seasonal position, IMRF calculates the disability benefits based upon the member's annual earnings for his or her normal seasonal year. IMRF pays the disability benefits over a 12-month period so that benefit payments will continue through the member's "off season." For example, a member normally works eight months a year earning \$1,500 per month or \$12,000 a year. IMRF will pay 50% of \$1,000 a month or \$500.

If a seasonal member chooses to receive his or her salary over 12 months, the member will not receive IMRF disability benefits as long as he or she receives compensation. IMRF disability benefits are not payable if a member is receiving compensation from his or her employer, whether that compensation is sick pay, vacation pay, or a seasonal salary spread over 12 months.

If because of a disability, a member has reduced earnings when he or she stops working, the amount of disability benefits will be calculated on the basis of the member's salary for the last year of regular employment.

For example, if a member worked part time because of an accident or illness, and the accident or illness eventually forces the member to go on IMRF disability, the amount of disability benefits would be based on the member's last year of normal full-time employment.

2. Reduction of IMRF Disability Benefit For Workers' Compensation and Social Security Benefits

(a) Workers' Compensation

IMRF will reduce a member's disability benefit by the amount of any weekly or lump sum payments he or she may receive as workers' compensation or occupational disease benefits. IMRF disability benefits are *not* reduced by payments for medical services or attorneys' fees or by fixed amounts for loss of, or loss of use of, specific bodily members.

The reduction of the IMRF disability benefit will be made in the first IMRF disability check whenever it appears that workers' compensation or occupational disease benefits are being paid, or will be paid. The monthly reduction is 4-1/3 times the weekly workers' compensation or occupational disease payments.

IMRF disability benefits will be reduced whether the member's workers' compensation claim is pending or the member is receiving a workers' compensation benefit.

The IMRF monthly benefit is adjusted for a lump sum settlement on the basis of converting the lump sum amount into a monthly workers' compensation amount, until the total withheld equals the amount of the lump sum payment.

If a member is receiving workers' compensation benefits or if a member is waiting for a decision on a workers' compensation claim, but the member does not file a disability claim with IMRF, he or she will not earn IMRF service credit for the months he or she is disabled and does not receive earnings from the employer.

This loss of service credit will affect the member's eligibility for other IMRF benefits, such as retirement and death benefits. Loss of service credit will also affect eligibility for disability benefits if the member returns to work for an IMRF employer and is again disabled.

Exceptions to workers' compensation reduction

An exception exists which will allow a member to receive workers' compensation benefits and to not have his or her IMRF disability benefit reduced. The member must meet the following condition:

The member has IMRF or reciprocal retirement system credit earned during the period from October 1, 1974, through September 30, 1977. If the member has service credit earned anytime during this period in effect on the date of his or her disability, the member will receive an unreduced disability benefit even though he or she is also receiving workers' compensation benefits.

(b) Social Security Benefits

If the member becomes disabled when he or she is under the age for Social Security full retirement benefits (see chart next page), IMRF will not reduce its disability benefits by the amount the member can receive from Social Security for a retirement pension. Social Security pensions can begin as early as age 62.

However, if a member's disability is expected to continue for more than five months, the member is required to apply for Social Security disability benefits and obtain an official determination from Social Security regarding his or her eligibility for Social Security disability benefits.

The member is required to apply for Social Security disability because IMRF will reduce its disability benefit by the amount that could be paid as a disability benefit by the Social Security Administration.

If the member is within six months of the age when he or she will become eligible for Social Security full retirement benefits, Social Security will not allow the member to apply for Social Security disability benefits. Because Social Security begins paying disability benefits five months after the onset of the

disability, members who become disabled within six months of reaching their Social Security full retirement age should not apply for Social Security disability benefits. The month after the member reaches Social Security full retirement age, IMRF disability benefits will be reduced by the amount of the member's Social Security retirement benefits.

If the member becomes disabled when he or she is the age for Social Security full retirement benefits, IMRF will reduce its disability benefit by the amount the member is entitled to receive as a Social Security retirement benefit—whether or not he or she is receiving such a benefit. (Social Security does not pay disability benefits after the age for Social Security full retirement benefits.)

If the member is not receiving Social Security retirement benefits, we require an estimate of the amount he or she is entitled to receive.

The table below provides the ages when a member is eligible for Social Security full retirement benefits.

Year of Birth	Full Retirement Age
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943—1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

If the member is being paid a reduced IMRF benefit and a final decision on a Social Security or workers' compensation claim has not been made, IMRF will restore the benefit to the full unreduced amount (not after age 62 for Social Security claims) provided the member signs Form 5.48, "Disability Payment Agreement" (Exhibit 5I) and:

- Submits Social Security "Receipt of Claim Form" indicating the member has applied for Social Security,
- Completes and submits IMRF Form 5.49, "Authorization to Secure Award or Disallowance Information," and
- If necessary, supplies updated medical records.

As long as the member remains disabled and is waiting for a final decision on the Social Security or workers' compensation claim, IMRF will pay the member unreduced benefits until the total of those payments equals the total amount of member contributions he or she has on deposit. Once that occurs, IMRF will reduce its benefit payments to the minimum payment of \$10 or to the difference between the member's anticipated Social Security disability benefit and 50% of his or her disability base pay.

The "Disability Payment Agreement" **obligates the member to repay IMRF immediately for any overpayment** resulting from an award of Social Security, workers' compensation, or occupational disease benefits. If the member fails to repay IMRF, the overpayment will be recovered from any future benefits payable by IMRF to the member, or to his or her beneficiaries or estate.

Before a member signs a Disability Payment Agreement, **we strongly recommend that he or she speak with the IMRF Disability Claims Examiner.**

(c) **IMRF Benefit Adjusted to Conform to Workers' Compensation or Social Security Benefit**

Whenever an IMRF disability benefit is reduced, the amount of the monthly check will not be less than \$10. If IMRF benefits are reduced and workers' compensation (including occupational disease) or Social Security benefits are denied, or paid in a smaller amount than the reduction, IMRF will adjust its benefits accordingly.

The member is required to repay to IMRF any overpayments when the member is paid workers' compensation, occupational disease, or Social Security benefits for which no reduction of IMRF benefits is made.

(d) **Increase in Total and Permanent Disability Benefits**

Total and permanent disability benefits are increased by 3% annually (not compounded) after the disabled member has been on disability for at least 30 months. The 3% increase is payable on the January 1 following the date the member has been disabled 30 months. This increase is applied to the original amount before offset for Social Security or workers' compensation benefits.

3. Reduction for Earnings from Outside Employment (Other Than Trial Work Period)

A member who is being paid temporary disability benefits by IMRF is no longer considered disabled if the member is paid compensation from gainful employment.

However, under unusual circumstances, a member may receive compensation (other than from a participating employer) up to 25% of disability base pay (see Paragraph 5.40 B.1) on which the temporary benefit is based. If the member earns more than 25% of this base pay, the temporary benefits may terminate or be reduced by the amount by which the outside earnings exceed 25% of base pay.

The decision whether to terminate or reduce the benefit is based on the facts in each individual case.

4. Reduction of IMRF Disability Benefit for Employer Paid Earnings During a Trial Work Period

For some disabling conditions, recovery is gradual and a return to work on a part-time basis is therapeutic. For other conditions, neither the member nor his or her physician can state with precision when recovery is so advanced that a full-time return to work is possible. IMRF recognizes that some members may wish to return to work on a limited basis, known as a trial work period, to see if the member can handle his or her position again.

For a member to be eligible for a trial work period, the member must have been disabled for 30 or more days before he or she returns to work on a limited basis.

During the trial work period, the disability is deemed to continue with service credit and the earnings history treated as though the member is disabled.

Note: an employer is not required to offer a trial work period. However, if one is available, a member can work fewer hours than his or her position requires and still receive reduced IMRF disability benefits. IMRF's trial work period is available only if the member returns to the same employer he or she worked for when the member became disabled, and if that employer offers the trial work period.

The member will remain eligible to receive IMRF disability benefits while on a trial work period until:

- (a) He or she works the same number of hours the member worked prior to the disability,
- (b) It is determined that the member is no longer disabled,
- (c) The member has exhausted IMRF temporary disability benefits, or
- (d) One year has passed.

IMRF monthly disability benefits are reduced dollar-for-dollar by the trial work period monthly gross earnings. However, the minimum monthly disability benefit is \$10.

Only one trial work period is allowed for each disability occurrence. The trial work period:

- (a) Cannot exceed 12 months for each disability occurrence.
- (b) Will end if the member returns to work for the same number of hours worked before the disability occurred.
- (c) Will end if the disabling condition worsens preventing the member from working any hours. If the member is eligible, upon receipt and review of medical documentation, full payment of IMRF disability benefits will resume.

5.40 C. Application for Disability Benefits

IMRF has developed a disability procedure checklist to assist authorized agents with a member's application for IMRF disability benefits. Refer to the IMRF Forms Chart in the front of this manual.

1. Temporary Disability Benefits

Temporary disability benefits may be claimed by submitting the following forms and records to IMRF:

- (a) Form 5.40, "Application for Disability Benefits," (Exhibit 5E) The application is to be completed by the member, or by a relative or other representative on the member's behalf.
- (b) Form 5.41, "Employer's Certificate of Disability," (Exhibit 5F) The certificate of disability is to be completed by the authorized agent of the employer. Employers can submit Form 5.41 via the Employer Access area of IMRF's website, www.imrf.org. See Paragraph 2.90. When completing Form 5.41, please note:
 1. Last date the member actually worked refers to the last date the member was physically on the job.
 2. Last date paid refers to the last date the member will receive compensation from the employer, including sick and vacation pay, etc. This date does **not** refer to the **date** of the last check.

NOTE: the employer should submit form 5.41 (paper or electronic) whether or not the disabled member applies for IMRF disability benefits.

- (c) Form 5.42, "Physician's Certificate," (Exhibit 5G) The certificate is to be completed by a licensed and practicing physician who has examined the member and can verify the nature and extent of disability. Diagnosis, treatment dates, services rendered and dates of disability are required to process the member's claim. The member should also ensure that the first treatment date is noted on the form.
- (d) Birth certificate or other acceptable evidence of birthdate must be submitted. **The member's Social Security number should be printed on the birth certificate or other evidence of birthdate.**
- (e) IMRF may also request that the member complete Form 5.40A, "Disability Claim Data," Form 5.47, "Authorization Form," Form 5.42A, Form 5.42E, Form 5.48, "Disability Payment Agreement," Form 5.49, "Authorization to Secure Award or Disallowance Information," or psychiatric forms. (If such forms are required, IMRF will mail them directly to the member).

If any form is incomplete, it may delay a decision on the disability claim. The member should provide as much medical information as possible when he or she submits the forms.

2. Total and Permanent Disability Benefits

A member can receive total and permanent disability benefits **only** after temporary disability benefits have been exhausted.

A member does not have to apply for total and permanent disability benefits. Prior to temporary disability benefits ending, IMRF automatically reviews the member's claim to determine if he or she is totally and permanently disabled as defined by the IMRF law. IMRF may require additional medical information before a determination can be made.

IMRF attempts to make a determination regarding eligibility for total and permanent disability benefits so that the member will continue to receive monthly benefit payments without after temporary disability benefits are exhausted.

3. Delayed Applications May Cause Loss of Benefits

A member may lose one or more monthly payments by failing to apply for IMRF disability benefits promptly. Disability payments cannot be paid retroactively for more than six months from the date an application is filed with IMRF. Filing late may also result in gaps in the member's service credit which could affect his or her eligibility for other IMRF benefits.

4. When to File an Application for IMRF Disability Benefits

The employer should file Form 5.41, "Employer's Certificate of Disability," as soon as the member stops working *and* is expected to be disabled for more than 30 consecutive days from the date the disability occurred. The employer should file Form 5.41 even in cases of disability when the member has filed a claim for workers' compensation.

At the same time, the member should file IMRF Form 5.40, "Member's Application for Disability Benefits," and give each of his or her current physicians a blank Form 5.42, "Physician's Statement," to complete.

The member application or employer certification should *not* be filed in "anticipation of disability" if the member is still able to work. When compensation, such as sick pay and vacation pay, is continued for more than 30 days, the member application and employer certification should be submitted immediately if the disability is expected to extend beyond the last day for which earnings will be paid.

The chart below illustrates when a member would apply for disability benefits.

WHEN A MEMBER WOULD APPLY FOR DISABILITY BENEFITS

Member schedules performed on August 1st		Does member apply?
Surgery performed on August 1	Member returns to work on August 28.	<ul style="list-style-type: none"> • No, the member is not disabled more than 30 consecutive days.
Surgery performed on August 1	Member will be off from work for six weeks.	<ul style="list-style-type: none"> • Yes, the member applies for disability benefits the first day he or she is disabled—on August 1. • The member does not apply in advance, even though the member knows he or she will be disabled more than 30 days. • The disability effective date will be August 31st—30 days after the date of disability.
Surgery performed on August 1	Member will be off from work for three months, AND the employer pays the member for the first 60 days.	<ul style="list-style-type: none"> • Yes, the member applies for disability benefits the first day he or she is disabled (August 1) because the member knows he or she will be disabled beyond the last day employer pays the member compensation. • The disability effective date will be September 30th—the day after the compensation ends.

