DISABILITY RETIREMENT

EMPLOYMENT

A disability retiree may not be employed in any position that requires the same duties or qualifications as a position under KTRS in any capacity in Kentucky or elsewhere. So doing shall constitute a misdemeanor and may result in loss of the disability allowance from the first date of this service. No person who is receiving disability benefits may be employed in a position that qualifies them for membership in a retirement system financed wholly or in part with public funds. You are required to notify the Retirement System if you engage in any gainful occupation. Your annuity will be reduced if your annual income from other employment combined with your KTRS retirement benefit totals more than $41,280. If you are employed, a complete copy of your Federal Income Tax Return will be requested and must include all W-2's that were included with that return. (In other words, if you file jointly, you must include a copy of the other person's W-2's to prove that all income is not solely yours.) You will be required to repay KTRS if you receive in excess of the monetary limitation.

KTRS MEDICAL INSURANCE EFFECTIVE DATE

Please note that your KTRS medical insurance will not be in effect until the first of the month following the approval of your disability retirement. This may not be the same date as the effective date of your retirement. In many cases the effective date of the disability retirement is retroactive due to the time needed for approval by the medical review committee. Health insurance coverage is not retroactive.

MEDICAL INSURANCE

If you are under age 65 and not on Medicare A and B, KTRS offers health insurance through the State Group Health Insurance Program administered by the Department of Personnel. After your disability application if approved, if you indicated on the disability application that you wish to have the state sponsored health insurance plan through KTRS, an insurance application will be provided to you. If you did not indicate on your disability application that you wish to be covered under this insurance plan, you will not be mailed an insurance application. KTRS disability retirees will receive a supplement toward the cost of their insurance based on years of service. If the cost of coverage is more than your supplement, this amount will be deducted from your annuity or billed if necessary. Retirees are not eligible to participate in flexible spending.

For retirees and spouses age 65 and above and any others on Medicare B, KTRS will offer a Medicare Eligible Health Plan.

Spouse coverage is available at any age. The full cost of this coverage is the retiree's responsibility and will be deducted from their annuity payment. If the member dies before going on disability retirement, the spouse may not be eligible for health insurance.

Dependent Children: Retirees and Spouses under 65 who are on the health insurance through the State Department of Personnel, will be able to include dependent children by choosing a family or parent plus coverage. The full cost for the dependent children will be the responsibility of the member. Retirees and Spouses 65 and over will not have insurance available for their dependent children through KTRS.

TAXES: Annuity payments are not subject to Kentucky income taxes through December 31, 1997. After that time you should consult the schedule of exemptions. Your disability annuity, however, will be subject to Federal income taxes.

DEATH: All retired members are covered by a $5,000 Life Insurance Benefit. In addition, your dependents may be eligible to apply for survivor benefits. Upon recalculation at the expiration of the entitlement period, you must select an optional plan of payment if you wish to protect survivors after your death.

VOLUNTARY REMOVAL: You may elect to terminate disability retirement and apply for service retirement for personal reasons, but you will not be eligible to receive service credit for the period you were on disability entitlement.

RETIREMENT FOR DISABILITY SHALL NOT BE CAUSE FOR TERMINATION: If you are a teacher and recover from disability and present a supporting statement from a licensed physician and written notification to the school system within twenty-four calendar months (but not later than April 15 prior to the beginning of the next school term), the system will reinstate you to active continuing status at the beginning of the next school term. If you do not present written notice of recovery to the school system within the twenty-four months, or if you resign prior to the end of the twenty-four month period, the continuing contract shall terminate.

ELIGIBILITY AND ENTITLEMENT

A member may apply for disability retirement only if they are in active contributing status, are vested, and have fewer than 27.00 years of service. Vested members with 22.00 years of service credit or less at the time of disability retirement are granted five years of disability entitlement service credit at the end of the entitlement period, provided they continue to be approved on each medical review. For members who have more than 22.00 years of service credit, the member may earn only as much disability entitlement service credit that when added to the initial service credit equals 27.00 years. (Example: If a member has 24.00 years of service credit when they go on disability retirement, they will earn 3.00 years of disability entitlement credit giving them a total of 27.00 years of service at the time of recalculation of their disability benefit.)

BENEFIT PAYMENT

The annual benefit for disability retirement during the entitlement period is 60% of your average high five salaries. (This amount is prorated if you are a reciprocity.)

RECIPROCITY

KTRS members who have service credit in one of the other Kentucky Retirement Systems should contact the Kentucky Employees Retirement System (KERS) office to file for disability retirement benefits in that system in order to coordinate full reciprocity.

EXPIRATION OF ENTITLEMENT

If you are still disabled when your entitlement period expires, your disability entitlement service credit will be added to the years of service you had when you went on disability retirement. Your benefits will then be recalculated using the service retirement formula using the average of the highest five earned salaries.

PLEASE NOTE THAT YOU WILL NOT CONVERT TO SERVICE RETIREMENT AT THIS TIME BUT WILL STILL REMAIN ON DISABILITY RETIREMENT. After recalculation of the benefit payment, you will still be subject to medical reexaminations and employment restrictions.

MEDICAL EXAMINATION

You will be required to undergo periodic examinations to determine if your disability allowance should be continued. If, upon examination, this disability no longer exists, the Medical Review Committee will recommend that the allowance be discontinued.

It is your responsibility to keep KTRS advised as to changes of address, status of dependents, employment situation, and condition of your health. If you have any questions concerning your status as a disability retiree, contact the Kentucky Teachers' Retirement System at the following number: 502/848-8500

This pamphlet is intended for general informational purposes only. In the event of conflict between the provisions of this pamphlet and the relevant law, the latter will prevail. As the law is subject to change, you should contact KTRS prior to making important retirement decisions.

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Kentucky Teachers' Retirement System

DISABILITY RETIREMENT

INFORMATION YOU SHOULD KNOW

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