



# Retirement Manual

For Members Hired On or After January 1, 2012

**Public Safety Personnel Retirement System**

**January 2014**

A manual of instructions, checklists and guidelines for completing normal, survivor's, and disability retirements in the Public Safety Personnel Retirement Plan and the Corrections Officer Retirement Plan.

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## **WELCOME**

This manual is made available to Local Boards to answer the many questions you may receive regarding retirement from PSPRS and/or CORP from members hired on or after January 1, 2012. Throughout, we will discuss roles of PSPRS, CORP and Local Boards, provide general information and checklists concerning retirement, explain how to navigate the Electronic Spreadsheet, determine how the Benefit Calculation is calculated, and discuss disability retirement forms.

## **WHAT IS PSPRS AND WHY IS IT IMPORTANT TO ME?**

The Public Safety Personnel Retirement System (PSPRS) is a special retirement system created by the state legislature for certain full-time certified peace officers and fulltime fire fighters in the state of Arizona. The System provides a uniform, consistent and equitable statewide retirement program to these public safety personnel who are regularly assigned to hazardous duty of the type expected of peace officers or fire fighters. The System is designed to meet the special needs of personnel engaged in hazardous duty situations.

The PSPRS is a governmental retirement plan qualified under 401 (a) of the Internal Revenue Code. It is a "defined benefit plan", which means pensions are determined by a formula, not by the amount of money in the member's account. In addition, the PSPRS is known as an agent multiple-employer retirement plan which means that separate accounts are kept for each employer that is in the system. Costs associated with benefit payments are not "shared" by all employers in the system. Monies in the entire system are pooled for investment purposes, but benefits and refunds are paid for by each employer only from the employer's separate account in the PSPRS.

## **WHAT IS CORP AND WHY IS IT IMPORTANT TO ME?**

The Corrections Officer Retirement Plan is a special retirement plan created by the state legislature for certain full-time state and county detention officers. The Plan provides a uniform, consistent and equitable statewide retirement program to these correctional officers and is designed to meet the special needs of personnel engaged in the prison environment. Correctional officers employed by the State Department of Corrections (DOC) or Youth correctional officers employed by the State Department of Juvenile Corrections (DOJC) are members of the Plan. Certain other designated positions within the DOC or DOJC are members of the Plan. Please see the statutes for a complete listing of these designated positions. Most county detention officers in this state are members of the Plan.

The CORP is a governmental retirement plan qualified under 401 (a) of the Internal Revenue Code. It is a "defined benefit plan", which means pensions are determined by a formula, not by the amount of money in the member's account. In addition, the CORP is known as an agent multiple-employer retirement plan which means that separate accounts are kept for each employer that is in the Plan. Costs associated with benefit payments are not "shared" by all employers in the Plan. Monies in the entire Plan are pooled for investment purposes, but benefits and refunds are paid for by each employer only from the employer's separate account in the CORP.

## **ROLE OF THE LOCAL BOARD AND THE BOARD OF TRUSTEES**

A local board is a five member board composed of a chairperson and two appointed persons as stipulated in statute ARS 38-847.A (PSRS) and 38-893.A (CORP), as well as two persons who are members of the Plan whom are elected by secret ballot election by all contributing members for that employer group. The Local Board must also appoint a Local Board Secretary. The Secretary is responsible for handling all administrative functions for the local board including, completing and retaining the minutes of each local board meeting and responsible for ensuring all retirement packets are complete prior to submission to the PSPRS Administrative Offices. The Secretary serves as the liaison between the contributing membership and the local board, as well as between the local board and PSPRS Administrative Offices. Each employer group has their own local board for each of their eligible groups. The local boards have the authority to determine membership eligibility and payment of benefits, including eligibility for receipt of disability payments in accordance with the provisions of the retirement statutes.

The Board of Trustees is a seven-member policy making board that has statutory responsibility in investing the monies in the Plan, keeping records for each employee and employer in the Plan and paying out benefits and refunds to members. The Board of Trustees employs an Administrator and his administrative staff to handle these functions. The administration of the Plan and responsibility for making the provisions of the Plan effective for each employer are vested in a local board that is created by each employer. Although the Board of Trustees receives contributions from each employer and makes payments of benefits and refunds at the direction of the various local boards, the Board of Trustees acts as a "gatekeeper" to ensure that monies received and disbursed are in accordance with state law.

# GENERAL RETIREMENT INFORMATION

## Use of Electronic Spreadsheets for retirement packet completion

The administration of the Plan provisions for CORP and PSPRS is vested with local boards. As part of this administration, is the local board's responsibility to complete all benefit packets with their members. These benefit packets contain all the necessary documents and information that the PSPRS Administrative Offices will need in order to initiate any benefit payment from the System. To assist local boards in efficiently completing benefit packets, the System has created electronic spreadsheets for benefit processing. These spreadsheets will generate all the necessary documents that will need to be submitted to the PSPRS Administrative Office based on the benefit that the member or beneficiary is eligible to receive. Below is a quick walk-through on completion of the electronic spreadsheet. Please note that, for illustration purposes, the PSPRS spreadsheet is illustrated.

	A	B	C	D	E
1	<b>PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM (Version: 8/1/2011)</b>				
2	<b>Normal Retirement - Input Sheet</b>				
3	When inputting information, input dates in the mm/dd/yy format. Other than the dates, input all numbers with no breaks or special characters (i.e., dashes or parentheses), the computer will format as necessary. Only input in the white spaces. <span style="float: right;">Bottom of Form</span>				
4	TODAY'S DATE:	<input type="text"/>	<b>PLEASE SELECT BENEFIT TYPE:</b> <input checked="" type="radio"/> NORMAL RETIREMENT <input type="radio"/> ACCIDENTAL DISABILITY <input type="radio"/> ORDINARY DISABILITY <input type="radio"/> CATASTROPHIC DISABILITY <input type="checkbox"/> Over 60-months <input type="radio"/> TEMPORARY DISABILITY <input type="radio"/> SURVIVING SPOUSE <input type="radio"/> GUARDIAN <input type="checkbox"/> Member was retired <input type="checkbox"/> Killed in line of duty <input type="radio"/> DESIGNATED BENEFICIARY <input type="radio"/> REPRESENTATIVE OF DECEDENT'S ESTATE <input type="radio"/> DEFERRED ANNUITY		
5	RETIRE DATE:	<input type="text"/>			
6	Not Applicable	<input type="text"/>			
7	<b>PERSONAL INFORMATION</b>				
8	First Name	<input type="text"/>			
9	Middle Name	<input type="text"/>			
10	Last Name	<input type="text"/>			
11	Social Security No.	<input type="text"/>			
12	Sex	<input checked="" type="radio"/> Male <input type="radio"/> Female			
13	Member Date of Birth	<input type="text"/>			
14	Marital Status	<input type="radio"/> Single <input checked="" type="radio"/> Married			
16	<b>SPOUSE INFORMATION</b>				
17	First Name	<input type="text"/>	Date of Birth	<input type="text"/>	
18	Middle Name	<input type="text"/>	Social Security No.	<input type="text"/>	
19	Last Name	<input type="text"/>	Date of Marriage	<input type="text"/>	
21	<b>CONTACT INFORMATION OF MEMBER</b>				
22	Address 1		Address 2		
23	<input type="text"/>		<input type="text"/>		
24	City	State	Zip		
25	<input type="text"/>		<input type="text"/>		
26	Home Phone Number	Work Phone Number	Cell Phone Number		
27	<input type="text"/>		<input type="text"/>		
28	Email	<input type="text"/>			
29	<input type="text"/> \Input / <input type="text"/> Upload / <input type="text"/> Form P4-1 / <input type="text"/> Form P4-2 / <input type="text"/> Form 8 / <input type="text"/> Form P11 / <input type="text"/> Form P12 / <input type="text"/> Form 13 / <input type="text"/> Form W-4P / <input type="text"/> Form A-4P /				

Select benefit type (above) and then complete the following sections:

- Today's date
- Retire date
- Personal information
- Spouse information (if applicable)
- Contact information of member

	A	B	C	D
30	<b>DEPENDENT CHILDREN</b>			<input type="checkbox"/> No Dependents
31	Child #1 Name			
32	Date of Birth			
33	Disabled?			
34	Child #2 Name			
35	Date of Birth			
36	Disabled?			
37	Child #3 Name			
38	Date of Birth			
39	Disabled?			
40	Child #4 Name			
41	Date of Birth			
42	Disabled?			
43	Child #5 Name			
44	Date of Birth			
45	Disabled?			

Enter information for Member's dependents or select "No Dependents."

	A	B	C	D	E
47	<b>RETIREE EMPLOYMENT INFORMATION</b>				
48	Current Employer				
49	Service From:		Not Applicable		
50	To:		Not Applicable		
51	Local Board Name				
53	<b>Compensation</b>				Not Applicable
54	List total compensation for the highest three consecutive years with the last twenty completed years of credited service.				
55	Year	Through	Amount	<b>Final Contribution to PSPRS</b>	
56				Amount:	
57				Pay Period Ending:	
58				<b>Salary from other PSPRS employer:</b>	
59					
60					
61					
62					
63	<b>Leaves without Pay</b>				
64	During my period(s) of covered service, I have been on leave of absence without pay for the number of entire pay periods as indicated below: <input type="checkbox"/> NONI				
65	Missing Pay Periods	Employer			
66			Service (years)		
67			0.000	Years of Current Service	
68			0.000	Prior Service	
69			(0.000)	Leaves without Pay	
70			0.000	Credited Service	

- Complete the following sections:
- Retiree Employment Information (*Service To:* field will be completed automatically depending on retire date)
  - Compensation (*Highest three consecutive years information from payroll records or by using the calculator on the Local Board website*)
  - Final Contribution to PSPRS
  - Leaves without Pay

	A	B	C	D
72	<b>Prior Service</b>			
73	From	Through	Employer	<input type="checkbox"/> NONE
74	Flat number (years) >>			
75				
76				
77				
78				
79				
80	<b>Industrial Leave</b>			
81	During my period(s) of covered service, I have received compensation benefits under the Worker's Compensation Laws of the State of Arizona as indicated below:			
82	From	Through	Employer	<input type="checkbox"/> NONE
83				
84				
85				
86				
87				

Complete the following sections:

- Prior Service. Select "None" if not applicable
- Industrial Leave. Select "None" if not applicable

	A	B	C	D	E
88	<b>PAYMENT INFORMATION</b>				
89	Payable to				
90	Payment Method				
91					
92	<b>DIRECT DEPOSIT INFORMATION</b>				
93	Financial Institution				
94	Phone Number				
95					
96	<b>MEMBER'S ACCOUNT INFORMATION</b>				
97	Bank ABA Routing #				
98	Account Type				
99	Bank Account				

Print: P4 8 P11 P12 W-4P A-4P

P4, 8, P11, P12 & Tax Forms

Complete the following sections:

- Payment Information
- Payable to (Member's name)
- Payment Method
- Direct Deposit Information (if applicable)
- Member's Account Information (for direct deposit)

*Note: Do not use the print buttons until Beneficiary information is completed.*

	A	B	C	D	E
101	<b>BENEFICIARY INFORMATION</b>				
102	Beneficiary Type	<input checked="" type="radio"/> Primar	Relationship	<input type="radio"/> Spous	<input type="radio"/> Child <input type="radio"/> Other
103	Beneficiary Name				
104	SSN				
105	Date(s) of Birth				
106	Address 1		Address 2		
107					
108	City	State	Zip	Phone Number	<input type="checkbox"/> Same Info As Member
109					
111	Beneficiary Type	<input type="radio"/> Primar <input type="radio"/> Secondar	Rela		<input type="radio"/> Other
112	Beneficiary Name				
113	SSN				
114	Date(s) of Birth				
115	Address 1				
116					
117	City	State	Zip	Phone Number	<input type="checkbox"/> Same Info As Member
118					
120	Beneficiary Type	<input type="radio"/> Primar <input type="radio"/> Secondar	Relationship	<input type="radio"/> Spous	<input type="radio"/> Child <input type="radio"/> Other
121	Beneficiary Name				
122	SSN				
123	Date(s) of Birth				
124	Address 1		Address 2		
125					
126	City	State	Zip	Phone Number	<input type="checkbox"/> Same Info As Member
127					

Complete the Beneficiary Information section  
*Note: Select "Same info as member" if applicable.*

129	<b>LOCAL BOARD INFORMATION</b>	
130	FORMS PREPARED BY:	
131		
132	PHONE NUMBER:	
133	BOARD MEETING DATE:	
134	<input type="button" value="Top of Form"/>	<b>Other Things To Print</b> <input type="button" value="Input Form"/> <input type="button" value="Worksheet"/>

Complete the sections with the following information:

- Prepared By: Enter your name
- Phone: Enter your phone number
- Meeting Date: Enter the date your Local Board has met or will be meeting to approve the member's retirement

*Note: Selecting "Input Form" or "Worksheet" will print the respective documents. Selecting "Top of Form" will return the user to the top of the screen.*

## **Deadlines to submit paperwork**

To ensure sufficient time for processing for timely payment of retirement benefits, all complete and original retirement packets must be received by the Board of Trustee's Administrative Office by the 10th of the month in which the retiree will receive their first benefit payment. For example, if a member's last day of work is in July, their retirement becomes effective August 1st and their retirement packet should be submitted to the board of trustees no later than August 10th. Information should be double checked for accuracy before submitting the application. Incomplete or inaccurate retirement packets will be returned to the local board for proper processing and will cause a delay in benefit payments.

## **Local Board Action Prior to Submission**

A Local Board meeting must be conducted prior to the submission of the retirement packet in order for our office to make participation or payments effective in our system. A draft copy of local board minutes is required with the submission of all disability retirement packets, otherwise, per statutes, minutes are to be sent to the Administrative office within 20 days of each local board meeting.

## **Health Insurance Plans Available to Retirees**

PSPRS and CORP members who retire have a few options on health care coverage. This section describes those options as well as the plan benefit of Health Insurance Premium Subsidy.

The first potential available option is if the employer offers an extension of their health care coverage for employees who retire. Health care options under this situation traditionally mirror those offered to the active employees, however most employers place the responsibility of the entire cost of premium solely on the retiree. If the employer does not extend full health care coverage to their retirees, at minimum they probably offer limited coverage under a COBRA Plan. For either of these options, the retiree should consult with their Human Resources Representative.

If the retiring member is an employee of the State, then they have the option to elect coverage through the Arizona Department of Administration (ADOA). Members should again consult Human Resources to verify their eligibility.

Finally, all retiring members of the PSPRS and CORP have the ability to elect health care coverage through the ASRS Retiree Group Insurance Program

Only retired members and surviving spouses of the Public Safety Personnel Retirement System, Corrections Officer Retirement Plan or the Elected Officials' Retirement Plan are eligible for ASRS Group Retiree insurance. An ex-spouse of a retired member is not eligible for the ASRS Group Retiree Insurance program.

The ASRS Group Retiree Insurance Program is an insurance program that offers HMO, PPO, Indemnity medical and dental plans. These plans are contracted by Arizona State Retirement System (ASRS). These plans are available to retired members of the Public Safety Personnel Retirement System (PSPRS), Corrections Officer Retirement Plan (CORP) and the Elected Officials' Retirement Plan (EORP) and are administered through their office. This plan is not to be confused with the Arizona State Department of Administration (ADOA), also known as the "Benefit Options", which is an insurance plan, offered to all state employees, working and retired.

Information packets regarding available insurance coverage under these plans can be obtained by

contacting the offices shown below:

The Department of Administration  
 Benefits Office  
 100 N. 15<sup>th</sup> Ave. #103  
 Phoenix, AZ 85007  
 Phone (602)542-5008, (800)304-3687  
[www.hr.state.az.us/benefits](http://www.hr.state.az.us/benefits)

Public Safety Personnel Retirement System  
 3010 E Camelback Rd., Suite 200  
 Phoenix, AZ 85016  
 Phone (602)-255-5575  
 Fax (602)-296-2370  
[www.psprs.com](http://www.psprs.com)

## Health Insurance Premium Benefit (Subsidy)

The insurance options discussed in this manual are considered qualified insurance options for eligibility of the Plan's Health Insurance Premium Benefit, commonly referred to as the "Insurance Subsidy." State statute provides for a subsidy to retired members and survivors receiving a monthly retirement pension and who are enrolled in a qualified retiree health insurance program from their employer or the state. The following table is a breakdown of the amounts available.

	Members Only		Member & Dependents		
	NOT MEDICARE ELIGIBLE	MEDICARE ELIGIBLE	ALL NOT MEDICARE ELIGIBLE	ALL MED. ELIGIBLE	ONE WITH MEDICARE
<b>Elected Officials' Retirement Plan (EORP)</b>					
5 - 5.9	\$90.00	\$80.00	\$156.00	\$102.00	\$129.00
6 - 6.9	\$112.50	\$75.00	\$195.00	\$127.50	\$161.25
7 - 7.9	\$135.00	\$90.00	\$234.00	\$153.00	\$193.50
8 - 8.9	\$150.00	\$100.00	\$260.00	\$170.00	\$215.00
<b>Corrections Officer Retirement Plan (CORP)</b>					
not applicable	\$150.00	\$100.00	\$260.00	\$170.00	\$215.00
<b>Public Safety Personnel Retirement System (PSPRS)</b>					
not applicable	\$150.00	\$100.00	\$260.00	\$170.00	\$215.00

Note: New provisions regarding health insurance by an employer to survivors of police officers, corrections officers or probation officers killed in the line of duty can be found at: A.R.S. 38-1103: Health insurance payments for spouse or dependents of law enforcement officer killed in the line of duty;

## NAVIGATING AND ACCESSING ELECTRONIC SPREADSHEETS

To access, save and open retirement spreadsheets within the PSPRS website, you will need:

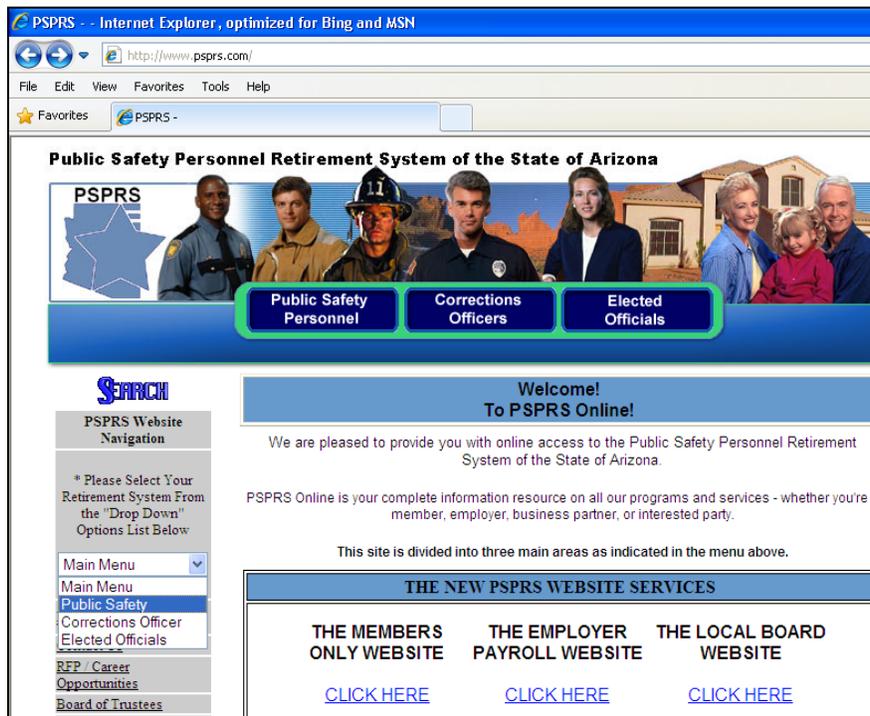
1. A computer with Internet access
2. To know which plan you contribute to (Public Safety, Corrections Officers, Elected Officials)
3. Your employer's name

Note: Please check the PSPRS website regularly for new or updated forms as periodic changes are made for ease of use, bug fixes, and statutory changes. Be sure that the spreadsheet version you have on your computer is the same version on the PSPRS website. The version date can be viewed on the upper right hand corner of the input tab within the spreadsheet.

Step	Action
1	Navigate to the PSPRS main website at <a href="http://www.psprs.com">http://www.psprs.com</a> .

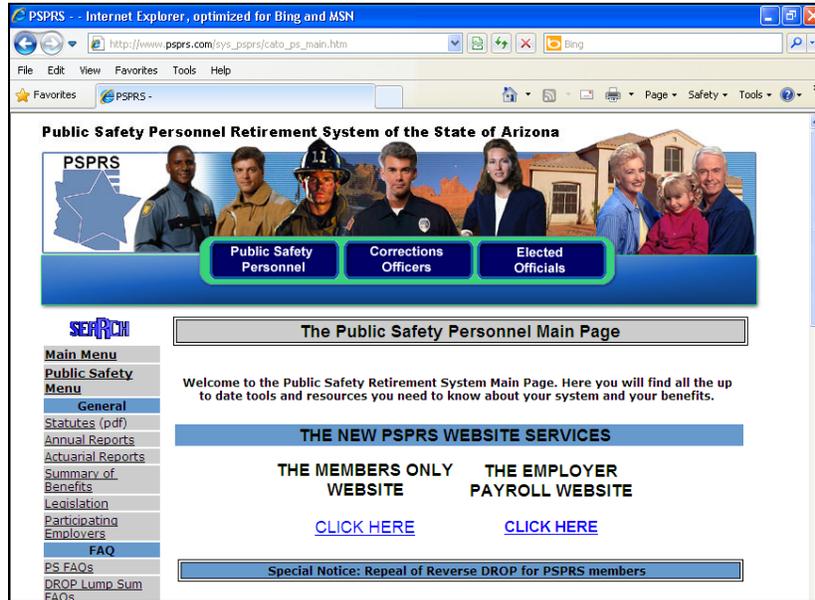
You may use any internet browser.

Step	Action
2	Select the correct system at the top of the page or within the "Main Menu" dropdown on the left side.

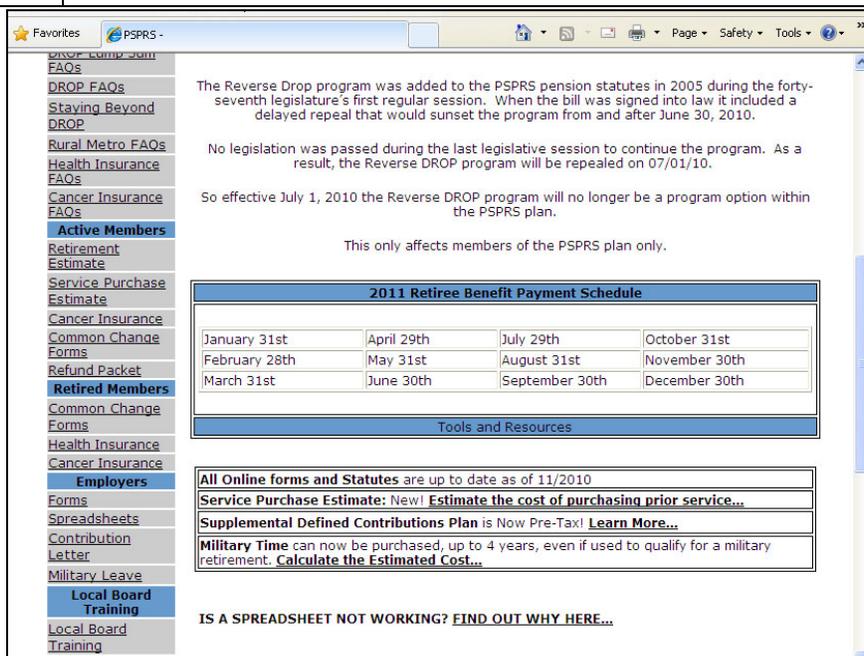


Step	Action
3	Your retirement system main page is displayed.

This guide will use Public Safety as an example.

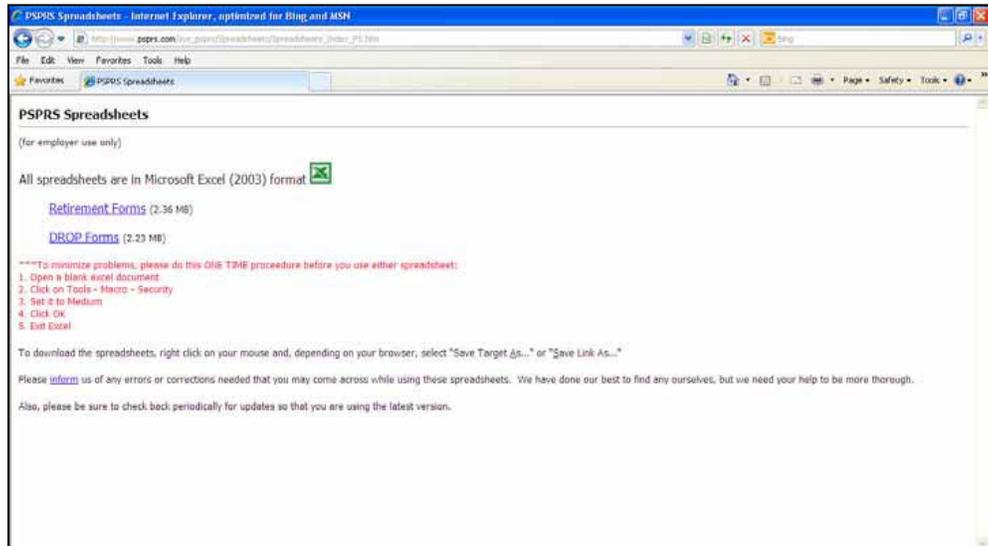


Step	Action
4	Scroll down the page to the “Employers” section on the left. Select the “Spreadsheets” link in that section.



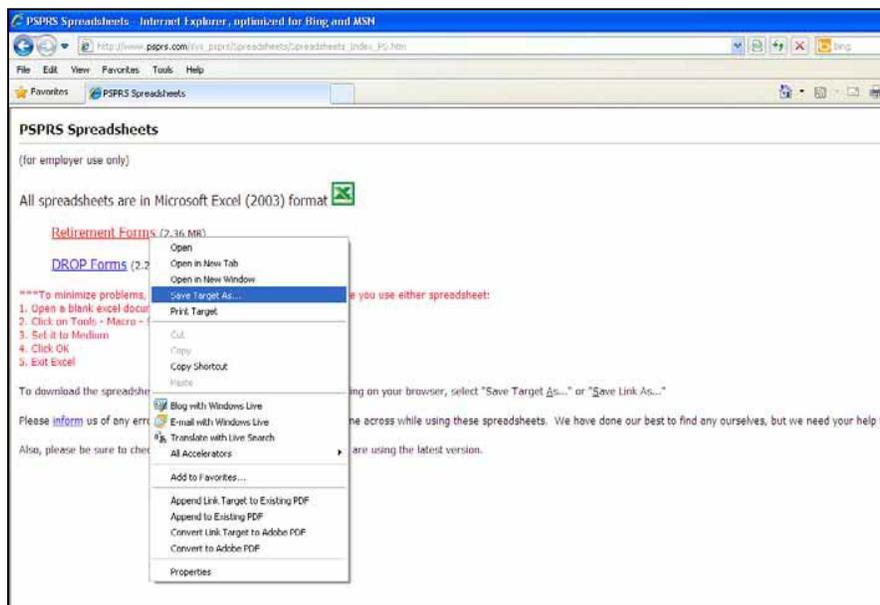
Step	Action
5	The PSPRS Spreadsheets page displays. Read the information on setting Excel macro security levels.

Set the Excel macro security settings prior to downloading retirement spreadsheets.

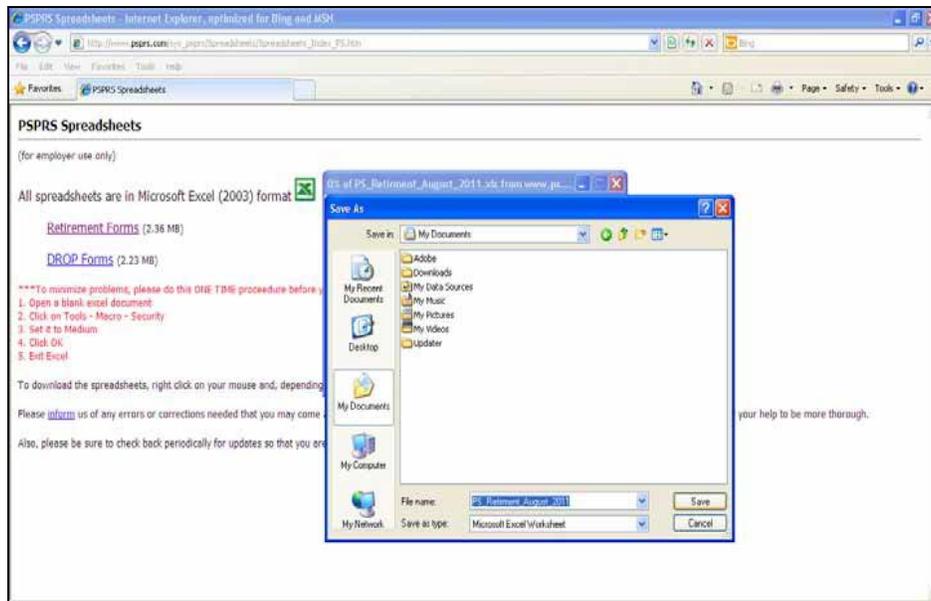


Step	Action
6	With your mouse, right-click on the correct spreadsheet. Select “Save Target As” or “Save Link As” (depending on browser).

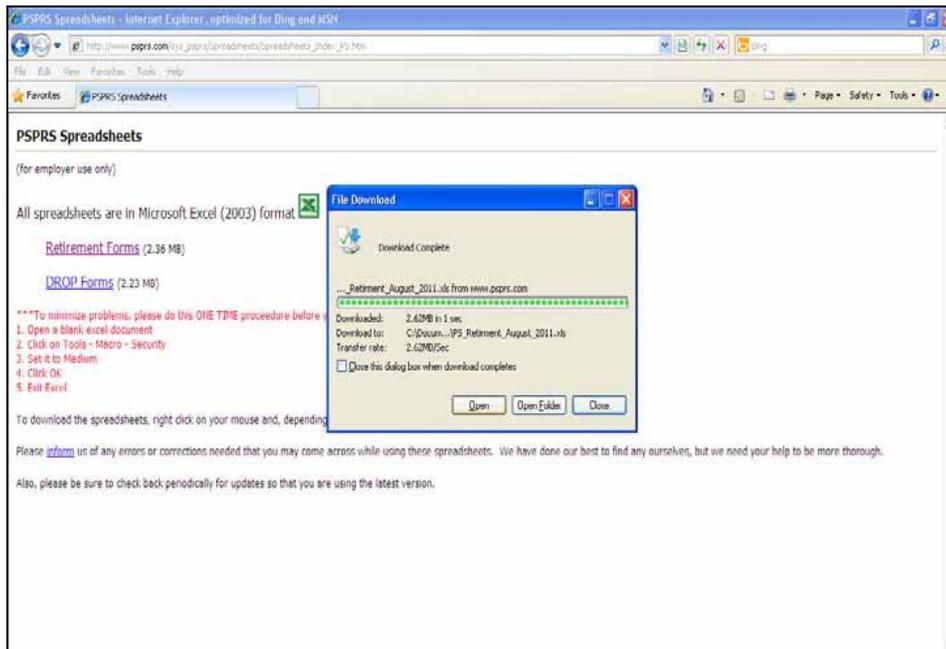
Download the spreadsheet to your computer. Do not open and use the spreadsheet within the website.



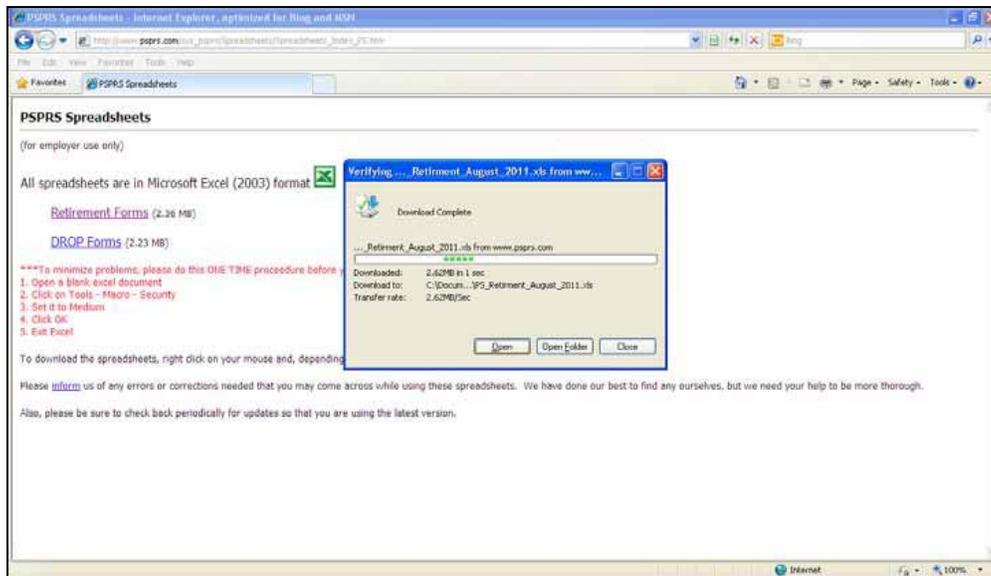
Step	Action
7	Select a save location for the spreadsheet.



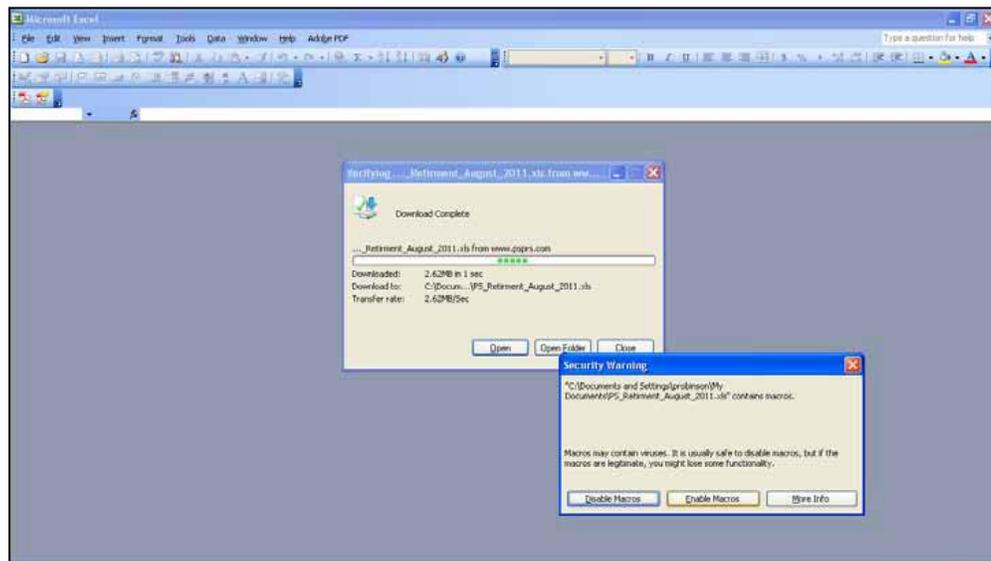
Step	Action
8	After the file downloads, select "Open."



Step	Action
9	File verification process begins.



Step	Action
10	Depending on the set macro security level or version of Excel, a security window may appear. Select "Enable Macros."



Step	Action
11	Excel spreadsheet opens.

The screenshot shows an Excel spreadsheet with the following sections:

- Header:** PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM (Version: 9/1/2011)
- Title:** Normal Retirement - Input Sheet
- Instructions:** When inputting information, input dates in the mm/dd/yyyy format. Other than the dates, input all numbers with no breaks or special characters (i.e., dashes or parentheses), the computer will format as necessary. Only input in the white spaces.
- Form Fields:**
  - TODAY'S DATE:** Input field
  - RETIRE DATE:** Input field
  - Not Applicable:** Input field
  - PERSONAL INFORMATION:**
    - First Name, Middle Name, Last Name
    - Social Security No.
    - Sex:  Male  Female
    - Member Date of Birth
    - Marital Status:  Single  Married
  - PLEASE SELECT BENEFIT TYPE:**
    - NORMAL RETIREMENT
    - ACCIDENTAL DISABILITY
    - ORDINARY DISABILITY
    - CATASTROPHIC DISABILITY  Over 60 months
    - TEMPORARY DISABILITY
    - SURVIVING SPOUSE  GUARDIAN
    - Member was retired  Killed in line of duty
    - DESIGNATED BENEFICIARY
    - REPRESENTATIVE OF DECEDENT'S ESTATE
    - DEFERRED ANNUITY
  - SPOUSE INFORMATION:**
    - First Name, Middle Name, Last Name
    - Date of Birth, Social Security No., Date of Marriage
  - CONTACT INFORMATION OF MEMBER:**
    - Address 1, Address 2
    - City, State, Zip
- FOR PSPRS USE ONLY:** System ID Number

## UNDERSTANDING HOW THE MEMBER'S BENEFIT CALCULATION IS DETERMINED

A member's pension benefit is derived from two separate components, their *Average Monthly Benefit Compensation* (PSPRS 38-842.7) or *Average Monthly Salary* (CORP 38-881.7) plus the result of a member's total years of credited service. When conducting the benefit calculation local boards can rely on a few different resources in retrieving the necessary information to determine the *Average Monthly Benefit Compensation* or *Average Monthly Salary* as well as service information.

The first resource should be the employer records. Local Boards should set up a process to work with their employer payroll and human resource departments on retrieving salary information and service information such as Leave Without Pay (LWOP) or Industrial Leave. This should be the primary way in which the boards calculate the average and credited service. The next noted resources should be used as reconciliation tools to determine if employer records agree with the System records.

First, our office has an established secure portal for our Local Boards to retrieve member contribution information. This portal has the functionality for the Board to reconcile their average totals against the contribution history for their member. To access the portal, the System must have on record a contact email for the individual wishing to gain access. Access can only be granted to those approved by the Local Board Secretary.

The next resource is working with the member on retrieving their average via the [“Members Only” portal](#). All active contributing members of PSPRS and CORP have 24/7 access to their contribution information via this portal. The portal also has an estimator tool, which provides an estimated average salary and the timeframe associated. The contribution information is derived from contributions received; therefore if contribution information is not correct then the estimate and timeframe may also be incorrect. Employer payroll records should be used primarily, due to the fact that boards need to reconcile against the member’s contribution history.

## Service and Credited Service

Under statutes, PSPRS and CORP have two definitions addressing a member’s time in the Plan. The first definition deals with *Service*. Service is the necessary time a member must have on record to qualify them for normal retirement and covers all continuous time from the point of membership until the member’s termination. This time would include any uncompensated period of time such as unpaid Industrial Leave and any other employer approved unpaid leave of absence.

*Credited service* by definition, is the service time in which the member has contributed to the Plan. Additionally, a member earns credited service with any service purchase or redemption completed by the member. Credited service is the time that is used in the calculation of a member’s pension benefit.

By definition, a LWOP is not a "compensated period of service" and therefore cannot be considered as credited service for purposes of computing a member's benefit. For purposes of reducing a member’s “credited service,” all local boards need to account for any FULL pay periods in which contributions were not received by the system. Do not record individual days or hours as leave without pay. Any FULL pay period(s) where the member did not receive compensation and PSPRS did not receive contributions must be noted on the input sheet of the electronic spreadsheet so that the time can be subtracted from the member's total service to come up with the length of credited service.

Authorized leaves without pay that are one FULL pay period or more will count toward the service requirement for a Normal Retirement, but will result in a member having less overall credited service.

## Compensation

In calculating a retiree's average monthly compensation for members hired on or after January 1, 2012, statutes require the PSPRS member to use an average of the member’s highest sixty (60) consecutive months of compensation (salary) within the last 20 years of credited service. Statutes require CORP members to use an average of their highest sixty (60) consecutive months of salary within the last 10 years (i.e., 120 months) of service. These five years or sixty months do not have to be calendar years. Also, if these five considered years include periods of non-paid or partially paid industrial leave, "the compensation the employee would have received in this job classification if the employee was not on industrial leave" should be included.

Ensure that only compensation permitted by PSPRS and CORP statutes are included. For more information, please see A.R.S. 38-842 (7) for PSPRS and A.R.S. 38-881(7) for CORP.

## OVERVIEW OF FORMS WITHIN THE RETIREMENT PACKET

While each benefit type might have some distinguishing forms unique to that benefit, all retirements submitted to the System for processing must include the following types of documents common to all benefits:

- Application for Benefit (P4, C4, P5, etc.)
- Retirement Benefit Calculation (P11 or C11)
- Notification of Benefits and Election (P12, C12)
- Return to Work Acknowledgement (P16, C16)
- Beneficiary Designation (P8, C8)
- Direct Deposit Authorization for Retired Members (Form 13)
- Tax Forms
- Minutes supporting proper local board action to approve the benefit

*Note: the majority of these documents will be accessed by completing the electronic retirement spreadsheets (Please see [Navigating and Accessing Electronic Spreadsheets](#) beginning on p.4).*

### Application for Benefit

The application for benefit (i.e. P4, C4, P5, etc.) is submitted by the member or claimant (survivor, guardian) who is seeking a benefit from the Plan. A completed application initiates the determination and paperwork process. Once a local board receives a completed application, a hearing should commence to determine eligibility of benefits. *Please note: local boards are required to commence a hearing within 90-days of an application being submitted for determination.*

The application must be completed in its entirety including, type of benefit, proper signatures, noted LWOP, retirement date and termination date.

### Retirement Benefit Calculation - Form 11

This form provides the details on how the member's benefit was calculated taking into account all member-specific information entered into the electronic spreadsheet (Credited Service, Average Monthly/Compensation (High Five Year Average), Benefit Type).

It is important to note that this form requires that the local board indicate the final contribution to be submitted to the PSPRS Administrative Office. Local Boards should work with their employer payrolls to verify final contribution amount and the final pay period in which the contribution will be submitted.

If benefit calculations are incorrect when submitted, a corrected form 12 (described below) with the member's signature in addition to a new form 11 must be submitted before the first benefit payment can be processed.

### Notification of Benefits and Election - Form 12

This document provides both the local board and the member with the final calculated pension payable, based on the benefit the member/beneficiary applied and was approved to receive. Once the electronic spreadsheets are completed, the noted benefit amount on this form will be populated. Basic information in this document includes:

- Benefit type
- Date of first payment
- Monthly benefit amount

The member is required to sign and acknowledge acceptance of benefit in order for payments to commence. Additionally, the local board Chair or Secretary is required to acknowledge approval of payments to commence. Finally, in order for the Administrative Office to begin payments, the local board is required to document the date in which a meeting occurred approving the benefit. Failure to properly meet and approve benefit will result in delay of initial payment.

### **Return to Work Acknowledgement - Form 16**

When a member retires, it is important for them to understand that statutes set guidelines in which they would be able to return to work with a PSPRS or CORP employer. As part of the retirement packet, this form presents that information to the member for acknowledgement, and this acknowledgement must be included with the completed packet submitted to the PSPRS Administrative Offices.

### **Beneficiary Designation Form - Form 8**

Retirement is a critical time for members to update their beneficiary information. Many members are surprised to find who is listed as their beneficiaries (ex-spouses, deceased parents, etc.), so retirees should be encouraged to submit this form along with their retirement applications.

### **Direct Deposit Authorization for Retired Members - Form 13**

A retiree's/ survivor's/ guardian's first monthly benefit can be issued either in check form or by direct deposit. The direct deposit option enables us to electronically transfer monthly benefits into a retiree's bank or credit union account. Any paper check issued will be mailed to the retiree's address indicated in the retirement packet. The retiree may view their monthly statement on the Member's Only portal which is accessed at [www.psprs.com](http://www.psprs.com).

The retiree must complete Form 13 and attach a voided check for the bank or credit union account into which the benefits are to be deposited. This office relies on the retiree to provide correct routing and account information for the direct deposit and any incorrect information will result in a delay in the direct deposit.

### **State Tax Withholding Preference Certificate - Form A-4P**

In 1989, The Arizona State Legislature passed a law mandating state taxation of a member's retirement pension for 1989 and thereafter. Retirees are responsible for paying state taxes on the amount received. All retirees have a \$2,500 per year tax exclusion. Retirees have several withholding percentage options when completing the form A-4P. Completion of the form A-4P instructs the PSPRS how to withhold state taxes. While the system requires completion of the document, withholding of state tax is voluntary. PSPRS cannot solely withhold a fixed state amount.

Retirees must select a percentage in order to have an additional amount withheld. Our office will not accept incomplete forms or forms that just have a flat dollar amount written in.

## **Federal Tax Withholding Preference Certificate - Form W-4P**

With the enactment of the Tax Reform Act of 1986, all or a portion of PSPRS and CORP retirement benefits became taxable under rules established by the IRS. Completion of the form W-4P instructs the PSPRS how to withhold federal taxes. Although not required, the retiree may use the IRS-provided worksheet to determine the total number of personal allowances they may wish to claim. If a retiree claims a number of allowances and marital status, they do have the ability to request an additional amount for their federal withholding. PSPRS cannot solely withhold a fixed federal amount.

*Please note: Federal regulations require withholding based upon married status with three exemptions if a correctly completed form is not on file.*

## **Local Board Minutes Approving Retirement**

The PSPRS Administrative office can only begin benefit payments to members or beneficiaries, once the Local Board has taken official action to approve the benefit. Statutes state that "no later than twenty days after taking action, the local board shall submit to the Board of trustees the minutes from the local board meeting that include the name of the member affected by its decision, a description of the action taken and an explanation of the reasons and documents supporting the local board's action" and that the minutes are to be sent via certified mail.

If minutes are not being submitted with the benefit packets, the Local Board's authorization to the Administrative Office to pay retirement benefits is indicated on Form 12. Wherein, the Local Board Chairman or Local Board Secretary certifies that the Local Board "has met and determined that the applicant...is eligible for the benefit payments as shown above." Additionally, Form 12 also includes the date in which the meeting occurred. This authorizes PSPRS to issue the member's or beneficiary's initial benefit payment.

*Please note: PSPRS internal procedure requires that minutes (even in draft form) be included in any submission of disability retirement packets. Failure to provide the minutes with disability packets may result in a delay of initial payment.*

See A.R.S. Section 38-847(PSPRS) and 38-893 (CORP) for more information.

## NORMAL RETIREMENT

### Qualification

For a member to qualify for normal retirement, they must meet the following criteria:

#### PSPRS

- Age 52.5 with 25 years of service

#### CORP

- Age 52.5 with 25 or more years of service
- Age 62 with 10 years of service

**Please Note:** Under statutes, a member must meet the service requirement at time of termination. However, they are able to defer initiation of their normal pension until they meet the age requirement.

### Checklist: Forms and Documentation Required

- Form P4 / C4
- Form 8
- Form P11 / C11
- Form P12 / C12
- Form 13
- Form 16
- Federal Tax Withholding Preference Certificate (Form W-4P)
- State Tax Withholding Preference Certificate (Form A-4P)
- Minutes from Local Board Approving Retirement
- Copy of Member's Birth Certificate
- If Married:
  - Copy of Marriage Certificate
  - Copy of Spouse's Birth Certificate
- If Eligible Children:
  - Copy of Children's Birth Certificates
  - Medical Documentation for Disabled Children (If applicable)
- If Divorced during period of employment:
  - Photocopy of complete Divorce Decree or
  - Certified copy of Plan-approved Domestic Relations Order

## REVERSE DROP (CORP ONLY)

The purpose of the reverse deferred retirement option plan is to add flexibility to the plan and to provide members who elect to participate in Reverse DROP access to a lump sum benefit in addition to their normal monthly retirement benefit on actual retirement. Members must be:

- Eligible for a normal pension (pursuant to section 38-885)

### Checklist: Forms and Documentation Required

- Form C4 RDROP
- Form C11 RDROP
- Form C12 RDROP
- Form 13
- Form 16
- Form U3 Benefits
- Special Tax Notice (copy to retiree)
- Federal Tax Withholding Preference Certificate (Form W-4P)
- State Tax Withholding Preference Certificate (Form A-4P)
- Memorandum and Understanding and Agreement
- Minutes from Local Board Approving Reverse DROP
- Retirement Verification of Final Contributions to CORP
- Copy of Member's Birth Certificate
- If Married:
  - Copy of Spouse's Birth Certificate
  - Copy of Marriage Certificate
- If Eligible Children:
  - Copy of Children's Birth Certificates
  - Medical Documentation for Disabled Children (If applicable)
- If Divorced during period of employment:
  - Photocopy of complete Divorce Decree, or
  - Certified copy of Plan-approved Domestic Relations Order

### Special Note on Reverse DROP Forms

#### Application for Reverse DROP - Form C4RDROP

The date of election to participate in Reverse DROP should agree with the retirement date. The Reverse DROP date should agree with the ending service date on the Form C11RDROP. The member elects a Reverse DROP date that is the first day of the month immediately following completion of 25 years of credited service or a date not more than 60 consecutive months before the date the member elects to participate in the Reverse DROP, whichever is later. Any leaves without pay or industrial leaves should be noted and taken into consideration when computing credited service and the Reverse DROP benefit on the Form C11RDROP. Remember that leaves without pay will affect one's credited service amount.

### **Notification of Reverse DROP Benefits and Election - Form C12RDRDP**

The *Date first reverse DROP benefit credited* should be the first day of the month following the Reverse DROP date. The *Date last reverse DROP benefit credited* is the first day of the month of retirement. For example:

Date Elected to Participate: 09/30/2008 (this is the retirement date)

Service Dates: 03/15/1979 to 9/30/2008

Reverse DROP Date = 10/01/2003

Date First Reverse DROP Benefit Credited: 10/01/2003

Date Last Reverse DROP Benefit Credited: 09/30/2008

The 60 months the member has chosen to participate in Reverse DROP is not considered in the calculation of the member's monthly benefit amount (shown in the example as 10/1/2003 through 9/30/2008).

Ensure the Reverse DROP applicant initials the election line on the bottom section of the form and then signs the Election and Acceptance in the presence of a witness.

### **Lump Sum Distribution Election Form for Retired Members -U3 Benefits**

Timely receipt of Form U3 Benefits is essential to process the retirement from Reverse DROP. There is no 30-day grace period for submission of this form; it must be received with the completed retirement packet. Members and Local Board staff are not authorized to sign in place of the Financial Institution Representative or have the qualified rollover check mailed directly to them on page 2 of the form. If the retiree elects to rollover the monies to a qualified account, a check will be issued and mailed to the address of the financial institution as indicated on page 2 of the form. Please ensure a copy of the Special Tax Notice is provided to the retiree for review.

## SURVIVOR'S/GUARDIAN'S PENSION

**Surviving Spouse (PSPRS & CORP):** The PSPRS statute prescribes the following eligibility requirements for a surviving spouse pension:

- a) Surviving spouse of a deceased active (non-retired) member: The applicant must be the legal spouse of the active member on the date of the member's death.
- b) Surviving spouse of a deceased retired member: The applicant must be the legal spouse of the retired member at the time of the member's death and said marriage must have been for a period of at least two consecutive years at the time of the member's death.

The State of Arizona does not recognize common law marriages and neither will the PSPRS. A divorce or annulment in progress at the time of death will not affect the surviving spouse's rights to benefits unless they have become final prior to the member's death.

**Deceased Member's Eligible Children:** For any potential child pension to become payable, that child must meet the definition of "Eligible Child," under statutes. "Eligible Child" means an unmarried child of a deceased member or retired member who meets one of the following qualifications:

- a) Is under the age of eighteen years of age.
- b) Is at least eighteen years of age and under twenty-three years of age only during any period that the child is a full-time student.
- c) Is under a disability that began before the child attained twenty-three years of age and remains a dependent of the surviving spouse or guardian.

An eligible child must be the natural offspring of the deceased member, or was legally adopted by the deceased member. The applicant must supply proof of adoption.

**Guardian of Deceased Member's Eligible Children (PSPRS):** The applicant must be the legal guardian of the deceased member's "Eligible Child" as defined in statute. A guardian's or conservator pension is payable only if there is no eligible surviving spouse receiving pension and there is at least one "Eligible Child" (please see A.R.S. 38-846(F) (G)). However, the guardian would be eligible to receive on behalf of the "Eligible Child" the child portion of benefits as prescribed in A.R.S. 38-846.H, regardless of a surviving spouse pension being paid.

If there is an eligible surviving spouse and also a separate guardian for the deceased member's eligible children, both will need to complete a separate Form 7 - Application for a Survivor's Benefit and the applications will be processed independently. Again, the guardian will be entitled to only the applicable child's pension as long as a surviving spouse's pension is being paid.

Pursuant to section 38-846.F both the guardian/conservator's pension and the child pension terminates if the child is adopted.

**Guardian or Custodian of Deceased Member's Eligible Children (CORP):** The applicant must be the legally appointed guardian or custodian of the deceased member's "Eligible Child" as defined in statute. Pension benefit paid to a guardian or custodian on behalf of the "Eligible Child," is payable only if there is no eligible surviving spouse receiving benefits and there is at least one "Eligible Child" (please see A.R.S. 38-904.B).

Pursuant to section 38-904.B the Guardian Pension paid on behalf of the “Eligible Child” terminates if the child is adopted.

### **Checklist: Forms and Documentation Required**

- Form P7S / C7
- Form 8
- Form P11 / C11
- Form P12 / C12
- Form 13
- Federal Tax Withholding Preference Certificate Form W-4P
- State Tax Withholding Preference Certificate Form A-4P
- Minutes from Local Board Approving Survivor's
- Copy of Member's Death Certificate
- Copy of Survivor's/Guardian's Birth Certificate
- Copy of Marriage Certificate (if applicable)
- Copy of Survivor's/Guardian's Social Security Card
- If Eligible Children:
  - Copy of Children's Birth Certificates
  - Medical Documentation for Disabled Children (If applicable)
  - Proof of Fulltime School Enrollment (If applicable)
  - Proof of Legal Guardianship (if applicable)

## DEATH BENEFICIARY

The Death Beneficiary benefit is only payable when:

- The member has accumulated contributions remaining in the System at the date of death.
- There are no eligible Surviving Spouse/Guardian/Surviving Child Pensions payable

This is a onetime lump sum payment paid to the designated beneficiary as noted by the member. If no such person is survived, then the benefit is payable to the nearest next of kin or estate as determined by the local board.

**PSPRS:** The lump sum payment is strictly the remaining accumulated member contributions on record at time of death.

**CORP:** For a member who dies while active or inactive, the lump sum payment payable is equal to two times the member's accumulated contributions on record at time of death. If a member was retired, the beneficiary receives only the remaining contributions on record not yet paid out in pension benefits.

### Checklist: Forms and Documentation Required

- Form P7D / C7D
- Form 13
- Federal Tax Withholding Preference Certificate (Form W-4P)
- State Tax Withholding Preference Certificate (Form A-4P)
- Form U3 Benefits
- Special Tax Notice (copy to Beneficiary)
- Minutes from Local Board Approving Death Benefit
- Copy of Member's Death Certificate
- Certified Personal Representative Letter (if applicable)
- Copy of Designated Beneficiary's Driver's License
- Copy of Designated Beneficiary's Social Security Card

### Special Note: Lump Sum Distribution Election Form for Retired Members - U3 Benefits

The beneficiary may elect to have the payment either paid in a DIRECT ROLLOVER to a qualified "inherited" IRA or paid to them directly, or they may elect both. Thus, the beneficiary has the same choices as the deceased employee. The beneficiary should review the Special Tax Notice handout for more information. Beneficiaries are not generally subject to the additional 10% tax described in the Special Tax Notice handout, even if they are younger than age 59½.

Beneficiaries and Local Board staff are not authorized to sign in place of the Financial Institution Representative, or have the qualified rollover check mailed directly to them as indicated on page 2 of the form.

## DISABILITY RETIREMENT

### Checklist: Forms and Documentation Required

- Form P5-EE / C5-EE
- Form P5-LB / C5-LB
- Form P5/C5-LB-A, O, T or P5-LB-C (as applicable)
- Form 8
- Form P11D / C11D
- Form P12 / C12
- Form 13
- Form 16
- Federal Tax Withholding Preference Certificate Form W-4P
- State Tax Withholding Preference Certificate Form A-4P
- Minutes from Local Board Approving Retirement
- Medical Reports and Documentation Supporting Award of Disability
- Copy of Member's Birth Certificate
- If Married:
  - Copy of Marriage Certificate
  - Copy of Spouse's Birth Certificate
- If Eligible Children:
  - Copy of Children's Birth Certificates
  - Medical Documentation for Disabled Children (If applicable)
- If Divorced during period of employment:
  - Photocopy of complete Divorce Decree or
  - Certified copy of Plan-approved Domestic Relations Order

### Special Note on Disability Retirement Forms

#### Application for Disability Retirement - Form P5-EE / C5-EE

Ensure that the applicant has completely filled out the application (pages 1 & 2) and a local board representative has signed on page 2 verifying the application is completed. The bottom of page 2 requires an acknowledgement of "received stamp or signature of local board representative and date" be filled in. Remember, a board must initiate a hearing on a claim within ninety (90) days. The ninety days starts on the date the local board receives the application.

The date of disability should be the date of the member's injury or the date the member's physical or mental condition was first diagnosed as to preclude the member from further employment with the PSPRS or CORP employer.

The applicant must designate the Type of Disability they are applying for:

**ORDINARY DISABILITY (PSPRS and CORP):** A non-job-related physical condition which totally and permanently prevents the applicant from performing a reasonable range of duties within their department or a non-job-related mental condition which totally and permanently prevents the applicant from engaging in any substantial gainful activity.

**ACCIDENTAL DISABILITY (PSPRS and CORP):** A job-related physical or mental condition that the local board finds totally and permanently prevents the applicant/employee from performing a reasonable range of duties within their job classification or department. With regards to CORP, it must be the result of either physical contact with inmates, responding to a confrontational situation with inmates or a job-related motor vehicle accident.

**TEMPORARY DISABILITY (PSPRS only):** A job-related physical or mental condition which totally and temporarily prevents the applicant from performing a reasonable range of duties within their department.

**CATASTROPHIC DISABILITY (PSPRS only):** A job-related physical and not a psychological condition that is not an accidental disability which totally and permanently prevents the applicant from engaging in any gainful employment.

**TOTAL AND PERMANENT DISABILITY (CORP only):** A physical or mental condition which the local board finds totally and permanently prevents a member from engaging in any gainful employment and which is the direct and proximate result of the member's performance of their duty as an employee of an employer.

The applicant should provide a brief description of the Nature and Cause of the Disability as well as a listing of all doctors and hospitals which have treated him/her for the disability and three years prior. The applicant should be encouraged to provide as much medical information as is appropriate to assist the Local Board in making its determination. The Authorizations at the top of page two should give the Local Board and its designated physician access to the applicant's complete medical history when necessary. It also gives the Local Board and Board of Trustees access to all information related to leave(s) of absence without pay and/or application(s) for and/or receipt of Worker's Compensation Benefits. The applicant must also confirm that they understand that the Board of Trustees may perform a review of the disability application to ensure that the applicant and Local Board are in compliance with statutory requirements.

### **Taxability of Disability Pensions**

**Ordinary Disability:** This pension is considered a fully taxable benefit. Work-related disabilities (Accidental, Temporary, Catastrophic and Total and Permanent) due receive special tax treatment.

**Accidental Disability:** The first 62.5% of a member's Average Monthly Benefit Compensation (PSPRS) or Average Monthly Salary (CORP) is considered nontaxable income.

**Temporary Disability:** Entire pension is considered nontaxable income.

**Catastrophic Disability:** Entire pension is considered nontaxable income.

**Total and Permanent Disability:** The first 62.5% of a member's Average Monthly Salary is considered nontaxable income.

### **Local Board Determination for Disability Retirement - Form P5-LB / C5-LB**

The Local Board will need to print and complete the disability questionnaire that is selected on the P5-EE disability application. The questionnaire will also need to be completed by the Independent Medical Examination (IME) physician, should the initial application provide the proper medical evidence for the Local Board to appoint a medical board.

**Please Note:** Should the initial application and medical evidence presented by the member is insufficient to appoint a medical board, and the board takes action to deny the application, that denied application and all information used by the board to render the decision must be forwarded to the PSPRS Administrative Office for review.

The first section of the P5-LB requires the local board to verify service dates, termination date if applicable, and the current work status of the applicant.

The second section requires the Local Board Chairman or Secretary to complete indicating the action taken by the Local Board.

**PSPRS** Please note: "Payment of an accidental, catastrophic, or ordinary disability pension shall commence as of the first day of the month following the date of retirement or the expiration of a period during which the member is receiving sick leave payments or a temporary disability pension, whichever is later." (38-844(B) (C) & (I).) **CORP** Please Note: "Payment of an accidental disability pension, a total and permanent disability pension, or an ordinary disability pension commences on the first day of the calendar month next following the member's date of retirement." (38-890(A)).

Pursuant to statutes, "The Board shall not make a retroactive payment of a pension of a person that is more than ninety days before the date of the person's application for benefits."

The Local Board must then forward to the Board of Trustees' office, the original P5-EE and required documents, P5-LB, Disability Questionnaire, a copy of the IME, and the Local Board meeting minutes sent via certified mail pursuant to A.R.S. 38-847.G or 38-893.G.

### **Disability Questionnaires - Form P5/C5-LB-A, P5/C5-LB-T, P5-LB-C, or P5/C5-LB-O**

The applicable Disability Questionnaire must be completed by both the Local Board and the Medical Board as appointed by the Local Board.

### **Medical Reports and Documentation Supporting Award of Disability**

Copies of all medical evidence, including the Independent Medical Evaluation considered by the Local Board in reaching its determination on eligibility must be forwarded to the Board of Trustee's Administrative Office for compliance review. The member's application packet should also be included with these documents.

## DISABILITY PROCESS OVERVIEW

1. Depending on disability, applicant files Application for Disability Retirement with the Local Board.
2. PSPRS:
  - a. Accidental, Ordinary or Catastrophic Disability: Local Board sets meeting to determine whether the applicant has filed the application after the disabling incident or within one year after the date the member ceases to be an employee. A member is eligible for an accidental disability if the member's employment is terminated by reason of accidental disability (38- 844.B); an ordinary disability pension if the member's employment is terminated before the member's normal retirement date by reason of ordinary disability (38-844.B); a catastrophic disability pension if the member's employment is terminated by reason of catastrophic disability (38-844.C).
  - b. Temporary Disability: Local Board sets meeting to determine whether the applicant has terminated employment prior to their normal retirement date by reason of temporary disability (38-844.I).

### CORP:

The Local Board sets meeting to determine whether the applicant either filed the application after the disabling incident or has applied for a disability retirement within one year after the date the member ceases to be an employee. For Ordinary disability dispatcher applicants, the date of disability must have occurred on or after 9/21/2006 and for all other CORP members the date of disability must have occurred on or after 9/26/2008. If the member reaches normal retirement qualifications at the time of application for ordinary, the normal pension supersedes the ordinary pension (38-886.01).

3. If medical evidence and application warrants appointment of the independent medical evaluation (IME), then the Local Board appoints a Medical Board to perform an IME of the applicant.
4. If the initial application and medical evidence presented by the member is insufficient to appoint a medical board, and the board takes action to deny the application, that denied application and all information used by the board to render the decision must be forwarded to the PSPRS Administrative Office for review.
5. PSPRS and CORP: If a medical board is appointed, the Local Board forwards a copy of claimant's P5-EE / C5-EE, Application for Disability Retirement, which includes a medical release authorization for prior treatment records, any documentation providing the medical evaluator with information on description of job duties (i.e. job descriptions) and a copy of the applicant's medical records to the appointed Medical Board.

### **For an Ordinary Disability Application (PSPRS and CORP):**

The Local Board must direct the medical board to complete Form P5-LB-O / C5-LB-O, Ordinary Disability Questionnaire. In addition to the completion of Form P5-LB-O / C5-LB-O, the Local Board should request the medical board to prepare a written report that specifically addresses the following statutory requirements in its report:

- a) Does the claimant have a physical condition which totally and permanently prevents him from performing a reasonable range of duties within the employee's department?  
(PSPRS Only: Providing the Medical Board with a description of the duties required of police or fire fighters with the particular employer should help the Medical Board address this issue.)
- b) Does the claimant have a mental condition that totally and permanently prevents him from engaging in any substantial gainful activity? In this context, the term "gainful employment" means the capability of performing a moderate amount of work with reasonable regularity without restriction to the type of work performed before the impairment. See *Cleland v. CORP* 818 P.2d 237; 169 Ariz. 252 (Ariz. App. 1991) and the enclosed memorandum on this subject.
- c) Does the claimant's disability result from a physical or mental condition or injury that existed or occurred before the claimant's date of membership in the PSPRS / CORP?

**For an Accidental Disability Application (PSPRS and CORP):**

The Local Board must direct the medical board to complete Form P5/C5-LB-A, Accidental Disability Questionnaire. In addition to completing this form, the Local Board should request the medical board to prepare a written report that specifically addresses the following statutory requirements in its report:

- a. Does the claimant have a physical or mental condition which totally and permanently prevents him from performing a reasonable range of duties within his job classification?  
(PSPRS only: Providing the Medical Board with a description of the duties required of police officers or fire fighters with the particular employer should help the Medical Board address this issue.)
- b. Does the claimant's disability result from a physical or mental condition or injury that existed or occurred prior to the claimant's date of membership in the PSPRS or CORP?
- c. PSPRS ONLY: Was the disabling condition or injury incurred in the performance of claimant's duty as a police officer or fire fighter? Any departmental accident reports or documentation of an on-the-job injury should be provided to the Medical Board.

CORP ONLY: Was the disabling condition or injury incurred in the performance of the employee's duties and was it the result of any of the following:

- i. Physical contact with inmates, prisoners, parolees or persons on probation.
- ii. Responding to a confrontational situation with inmates, prisoners, parolees or persons on probation.
- iii. A job-related motor vehicle accident while on official business for the claimant's employer. Note that a job-related motor vehicle accident does not include an accident that occurs to or from work, nor does it include the situation where the claimant is found guilty of violating a personnel rule, a rule established by the employer or a state or federal law in connection with the job-related motor vehicle accident.

**For a Temporary Disability Application (PSPRS ONLY):**

The Local Board must direct the Medical Board to complete Form P5-LB-T, Temporary Disability

Questionnaire. In addition to completing this form, the Local Board should request the Medical Board to prepare a written report that specifically addresses the following statutory requirements in its report:

- a. Does the claimant have a physical or mental condition which totally and temporarily prevents him from performing a reasonable range of duties within his department? Providing the Medical Board with a description of the duties required of police or fire fighters with the particular employer should help the Medical Board address this issue. The anticipated duration of the claimant's disability to perform a reasonable range of duties should be less than twelve months and should be so stated in the medical evaluation.
- b. Was the disabling injury or condition incurred in the performance of claimant's duty as a police officer or fire fighter? Any departmental accident reports or documentation of an on-the-job injury should be provided to the Medical Board.

**For a Catastrophic Disability Application (PSPRS ONLY):**

Local Board forwards a copy of claimant's P5-EE, Application for Disability Retirement, which includes a medical release authorization for prior treatment records, and a copy of the applicant's medical records to the appointed Medical Board. The Local Board must request the Medical Board to complete Form P5-LB- C, Accidental Disability Questionnaire. In addition to the Form P5-LB-C, the Local Board should request the Medical Board to prepare a written report that specifically addresses the following statutory requirements in its report:

- a. Does the claimant have a physical condition which totally and permanently prevents him from engaging in any gainful employment?
- b. Does the claimant's disability result from a physical condition or injury that existed or occurred prior to the claimant's date of membership in the PSPRS?
- c. Was the disabling condition or injury incurred in the performance of claimant's duty as a police officer or fire fighter? Any departmental accident reports or documentation of an on-the-job injury should be provided to the Medical Board.

**For a Total and Permanent Disability Application (CORP ONLY):**

The Local Board must direct the medical board to complete Form C5-LB-T, Total and Permanent Disability Application Questionnaire. In addition to completing this form, the Local Board should request the medical board to prepare a written report that specifically addresses the following statutory requirements in its report:

- a) Does the claimant have a physical or mental condition which totally and permanently prevents him from engaging in any gainful employment? In this context, the term "gainful employment" means the capability of performing a moderate amount of work with reasonable regularity without restriction to the type of work performed before the impairment. See Cleland v. CORP 818 P.2d 237; 169 Ariz. 252 (Ariz. App. 1991) and the enclosed memorandum on this subject.
- b) Does the claimant's disability result from a physical or mental condition or injury that existed or occurred before the claimant's date of membership in the CORP?
- c) Was the disabling condition or injury incurred as a direct and proximate result of the member's performance of their duty as an employee of the employer? Any departmental

accident reports or documentation of an on-the-job injury should be provided to the medical board.

6. After receipt of the Medical Board's medical evaluation, the Local Board sets a meeting to consider the claimant's application and the Medical Board's report. The Local Board will need to make a determination on eligibility based on the report from the Medical Board. (PSPRS Only: Statutes requires that a Local Board's "finding of accidental disability shall be based on medical evidence by a doctor or clinic appointed by the local board...which establishes an accidental disability.") Any motion to approve or disapprove a claimant's application for disability should include a reference to the Medical Board evaluation upon which the determination is based. A Local Board can consider any medical evidence that the claimant may want to provide; however, the statutes are clear that an award disability shall be based on the appointed Medical Board's evaluation. Material conflicts in medical evidence shall be resolved by the findings of the Local Board. Disability determinations by the State Comp Fund or other workers' compensation bodies are not binding on the Local Board.
7. Once an Application for Disability Retirement is approved, the Local Board Chairman or Secretary completes the determination section on the Form P5-LB / C5-LB and forwards it to the Board of Trustee's Administrative Office together with completed Forms P5-EE / C5-EE, P5-LB-A / C5-LB-A Disability Questionnaire, P11D / C11D, P12 / C12, and Forms 13, A-4P, W-4P and P8 / C8 (optional) and supporting documentation (birth certificates, marriage certificates, etc.) along with a copy of the Local Board meeting minutes approving the disability.

The Local Board must also forward copies of all medical evidence including the Independent Medical Evaluation considered by the Local Board in reaching its decision. If conflicts in medical evidence were resolved by the Local Board, the minutes forwarded to the Board of Trustees must explain how such conflicts were resolved.

Statutes provide "No later than twenty days after taking action, the local board shall submit to the Board of Trustees the minutes from the local board meeting that include the name of the member affected by its decision, a description of the action taken and an explanation of the reasons and documents supporting the local board's action." Additionally the statutes governing the System's rehearing request rights require that the decisions to be sent via certified mail.

8. The Claimant or the Board of Trustees may request a Rehearing on the Local Board's decision pursuant to statutory provisions.
9. PSPRS:
  - a. Payment of an ordinary or accidental disability pension shall commence as of the first day of the month following the date of retirement or the expiration of a period during which the member is receiving sick leave payments or a temporary disability pension, whichever is later. The last payment shall be made as of the last day of the month in which the death of the retired member occurs, or if disability ceases prior to the member's normal retirement date, the first day of the month in which disability ceases. The monthly ordinary disability pension amount is based on the claimant's actual credited service. The retiree receives a monthly amount equal to 50% of the member's average monthly salary multiplied by years of credited service

and divided by twenty. The monthly accidental disability pension amount is calculated like a normal retirement using actual credited service or 20 years, whichever is greater.

- b. Payment of a Temporary Disability pension shall commence as of the first day of the month following the date of disability or the expiration of a period during which the member is receiving compensation and sick leave payments, whichever is later. The last payment shall be made as of the first day of the month in which either the death of the member occurs or the Local Board deems the member is no longer under Temporary Disability, whichever occurs first, provided that NO MORE THAN TWELVE MONTHLY TEMPORARY DISABILITY PAYMENTS shall be made in total to the member. The monthly temporary disability pension amount is equal to one-twelfth of fifty per cent of his annual benefit compensation received immediately prior to the date on which his disability was incurred.
- c. Payment of a Catastrophic Disability pension shall commence as of the first day of the month following the date of retirement or the expiration of a period during which the member is receiving sick leave payments or a temporary disability pension, whichever is later. The last payment shall be made as of the last day of the month in which the death of the retired member occurs, or if the disability ceases because the member has sufficiently recovered and is able to engage in gainful employment. The monthly catastrophic disability pension amount is ninety per cent of the member's average monthly benefit compensation for the first sixty months. Thereafter, the local board shall reevaluate the member. If the member still qualifies for a catastrophic disability, the benefit is reduced to either sixty-two and one-half per cent of the member's average monthly benefits compensation or computed in the same manner as a normal pension using the member's actual credited service, whichever is greater.

CORP:

- a. Payment of an accidental, total and permanent, or an ordinary disability pension shall commence as of the first day of the month following the member's date of retirement. The effective date of an accidental, total and permanent, or an ordinary disability retirement shall not predate the date of disability or the date the member ceases to be an employee.
- b. Termination of payment of the accidental, total and permanent, or ordinary disability pension occurs at the end of the calendar month in which the event causing the termination occurred. The payment shall be made for the full month of termination. The monthly accidental and total and permanent disability pension amount is equal to fifty per cent of the member's average monthly salary. Except for a full-time dispatcher, the amount of an ordinary disability pension is equal to a fraction times the member's normal retirement pension that is computed as if the member had twenty years of credited service. The fraction is the result obtained by dividing the member's actual years of credited service, not to exceed twenty years of credited service, by twenty. For a full-time dispatcher, the amount of an ordinary disability pension is equal to a fraction times the member's normal retirement pension that is computed as if the member had twenty-five years of credited service. The fraction is the result obtained by dividing the

member's actual years of credited service, not to exceed twenty-five years of credited service, by twenty-five.

10. PSPRS:

Accidental, Ordinary or Catastrophic disability shall be considered to have ceased and a disability pension terminates if the member:

- a. has sufficiently recovered in the opinion of the Local Board, based on medical evidence from a Medical Board appointed by the Local Board, to be able to engage in a reasonable range of duties within his department and the member refuses an offer of employment by an employer in the PSPRS; or
- b. refuses to undergo any medical examination requested by the Local Board (cannot be requested more than once in any calendar year)

CORP:

An accidental, total and permanent, or an ordinary disability pension is terminated if the Local Board finds the retired member no longer meets the requirements for disability retirement. During the period between the effective date of an accidental, total and permanent, or an ordinary disability retirement and the date the disabled retired member attains age sixty-two, the Local Board may require an accidental, total and permanent, or an ordinary disability retired member to undergo periodic re-evaluation of the continuation of disability benefits. If the member refuses to submit to re-evaluation, the Local Board may suspend payment of the pension. If the refusal continues for one year, the Local Board may revoke the accidental, total and permanent, or ordinary disability retired member's right to the pension.

11. PSPRS only:

- a. A member whose catastrophic disability pension is terminated may apply for and if eligible, is entitled to receive an accidental disability pension.
- b. If upon the expiration of a Temporary Disability pension the Local Board finds upon application that the member has an Accidental or Ordinary Disability, the member shall thereupon be eligible for an Accidental or Ordinary Disability pension.

## TOTAL AND PERMANENT DISABILITY MEMORANDUM (CORP ONLY)

### MEMORANDUM

**TO:** All Corrections Officer Retirement Plan Members  
**FROM:** The Board of Trustees  
**DATE:** February 15, 2007 (revised September 7, 2012)  
**RE:** Total and Permanent Disability under the Corrections Officer Retirement Plan

Among other things, a member qualifies for disability benefits if he can demonstrate that his physical or mental condition (1) totally and permanently prevents him “from engaging in any gainful employment” and (2) is the direct and proximate result of his job duties. See A.R.S. §38-881 (44). The term “any gainful employment” means the capability of performing a moderate amount of work with reasonable regularity, or more specifically, at least four (4) hours of work (4) days a week for which the claimant earns at least \$300 monthly and/or the minimum hourly wage. “Gainful employment” is not restricted to the type of work performed before impairment, not is it limited to job opportunities actually available and/or located near the claimant’s home.

## STRESS DISABILITY LEGAL GUIDELINES (PSPRS ONLY)

Excerpts from the Arizona Court of Appeals Decision in Wills -v- Pima County Public Safety Personnel Retirement Board 154 Ariz. 435 (1987) regarding emotional stress disability applicants:

This decision requires an interpretation of A.R.S. Section 38-842 as it existed in 1970.

### 38-842. Definitions

In this article, unless the context otherwise requires:

1. "Accidental disability" means a physical or mental condition which, in the judgment of the board, totally and presumably permanently prevents an employee from performing his regularly assigned duties and was incurred in the performance of his duty. A determination of disability shall be based on medical evidence satisfactory to the board.

What did the legislature intend by the words, "incurred in the performance of the employee's duty?" Although "incurred" has many definitions, we believe that in the context of the statute defining "accidental disability" it can only mean "to occur as a result." *Webster's Third New International Dictionary Unabridged, p1146 (1971)*. Therefore, entitlement to an accidental disability pension depends on evidence sufficient to establish a causal relationship between Wills' disability and his duties as a police officer.

Wills' medical expert testified that his job stress contributed to his condition but could not give an opinion as to any degree of contribution.... "We are prevented from re-weighing the evidence, and since there was substantial evidence to support the determination of no causal connection by the retirement board and the trial court, we must affirm...." Wills argues that he is entitled to a disability pension "if (his) work as a police officer aggravates a condition to the extent it

"becomes disabling" and "the statute does not state that a mental or physical condition must be 'caused' by the policeman's work, but says it must be incurred in policeman's work." Wills supports this argument by citing cases involving workers' compensation...."

Workers' compensation is a statutory scheme peculiar to employer/employee relationships which has as its purpose compensation for work-related occurrences without regard to fault. The pension plan involved here is unrelated to workers' compensation and is a fund from which retired police officers are paid benefits after termination of employment and fulfillment of all statutory requirements by the member for the pension, A.R.S. Sections 38-841 and 38-842(19). It provides for payment of benefits before qualifying for normal retirement if a member is accidentally disabled. A.R.S. Section 38-842(1). Although Arizona workers' compensation cases are based on a very liberal interpretation of medical causation in order to entitle a worker to benefits, they are useful in assisting us in our determination that "incurred in the performance of his duty" means proof of a causal relationship between the disability and duties as a police officer. Arizona workers' compensation cases have held that heart-related disabilities allegedly caused by job stress are not compensable unless the job stress was a substantial contributing cause of the heart-related illness. A.R.S. Section 23- 1043.01(a) See also Skyview Cooling Co. -v- Industrial Commission, 142 Ariz. 554, 559, 691 P.2d 320, 325 (App. 1984) (more than insubstantial or slight); Bush -v- Industrial Commission, 136 Ariz. 522, 524, 667 P.2d 222,224 (1983) (requiring a recognizable causal connection showing that the exertions or work of the job

precipitated the heart attack): Sloss -v- Industrial Commission, 121 Ariz. 10, 588 P.2d 303 (1978) (exposure to nothing other than the usual, ordinary and expected incidents of a job as highway patrolman is not compensable)....

Causal connection means more than just a contribution factor.... The medical witnesses either could not find any causal connection between Wills' duties as a police officer and his heart condition or found that the job was only an insignificant contributing factor. Therefore, there was sufficient medical evidence to support the finding of the retirement board and the superior court that Wills was not entitled to a permanent disability pension under the provisions of A.R.S. Section 38-842 because his job stress neither caused nor contributed to his heart condition or there was no causal connection between his employment and his heart condition.

## DUE PROCESS GUIDELINES FOR DISABILITY REHEARINGS

The interest of an applicant in obtaining a disability benefit, if they meet the qualifications, has generally been held to be a property interest entitled to due process protections, including some form of rehearing right.

A.R.S. Sections 38-847 (PSPRS) and 38-893 (CORP) provide requirements of rehearing rights.

The important aspects of these statutes are: first, the requirement of proper notice to the applicant-board of trustees of the local board's original action; and second, the time period set for applying for a rehearing. The Arizona courts have construed these requirements quite literally.

The basic requirements for an adequate rehearing process are as follows:

### 1. NOTICE OF OPPORTUNITY FOR REHEARING

- a. Notice of Local Board's Original Action on Application with notification to the applicant of their statutory right to apply for a rehearing within the time period prescribed above. The PSPRS statute requires this notice to be by certified mail or the applicant's attendance at the Local Board meeting at which the action takes place.
- b. Notice to Applicant of Scheduled Rehearing. This notice requirement for a rehearing is intended to insure that the applicant is made fully aware of the time, place and subject matter of the rehearing so as to have a reasonable opportunity to prepare their case. This second notice should also be by certified mail.

### 2. TRANSCRIPTION OF REHEARING

Because of the likelihood of an adverse decision by the Local Board being challenged through the court system, all rehearings should at least be voice recorded, if not transcribed, to preserve the record for possible appeal. In the event there is not an adequate record preserved of the rehearing, the Arizona courts have tended to grant a trial de novo (a new trial) at the Superior Court level to determine the applicant's eligibility for the disability. With an adequate record of the rehearing proceedings, an applicant can only challenge the Local Board's determination as "arbitrary and capricious"--a difficult legal standard to prove. With a trial de novo, the issue of the applicant's eligibility for the disability is reopened to a trial by judge or jury--a much more expensive proposition for the Local Board. The money spent on transcribing or recording the rehearing can be saved many times over in the event of an appeal to the Superior Court.

### 3. AN IMPARTIAL DECISION MAKER

Due process requires that Local Board members make their decision on the basis of the medical evidence before them, not on the basis of personal prejudices and information obtained outside the scope of the rehearing. Extraneous personnel information should not be considered in determining the applicant's eligibility for a disability retirement. Any

Local Board member should disqualify himself from the determination if he feels there is any type of conflict of interest.

#### 4. THE RIGHT TO PRESENT EVIDENCE AND ARGUMENT ORALLY

The fact that due process requires that the applicant be allowed a rehearing does not necessarily require a full-scale adversarial quasi-judicial hearing. It may be enough that the applicant has the opportunity to appear before the Local Board to present reasons why they are entitled to the disability retirement. The burden of proof for establishing the disability rests with the applicant.

The PSPRS statute effectively limits the evidence upon which the Local Board can base their determination in disability applications by prescribing "a finding of...disability shall be based on medical evidence by a doctor or clinic appointed by the local board pursuant to section 38-847.D.9 which establishes a...disability". These same statutes provide that "material conflicts in medical evidence shall be resolved by the findings of the local board". Therefore, although the Local Board can hear medical evidence from doctors other than the doctor appointed by the Local Board, they must base their determination on their designated doctor's report.

In some cases, the Local Board will be called on to make the determination of whether or not the disability is service- related. The Local Board can rely on lay information to make this determination if the designated doctor does not adequately address the issue.

In a case where the Local Board determines that their designated doctor may not have had access to new medical evidence provided at the rehearing by the applicant that may alter the designated doctor's opinion regarding the application, the Local Board can determine that the case is a "special case" and refer the new medical information for re- evaluation by the Local Board's designated doctor or refer the applicant to a new doctor designated by the Local Board pursuant to the statutes.

Disability hearings and rehearing are subject to Arizona's open meeting laws. However, the local boards should review and discuss a member's confidential medical records in executive session only. However, a final decision on a member's entitlement to benefits must be made in an open public meeting. See board of trustees Opinion 1998-2. To allow a member to present their case to the local board in an orderly manner and to prevent the necessity of having to go into executive session numerous times, the member may wish to waive the confidentiality requirements. This waiver is included in the disability application.

#### 5. THE RIGHT TO BE ACCOMPANIED BY COUNSEL

If the applicant chooses to be represented by an attorney at a rehearing, the Local Board should explain to the attorney the nature and procedure of the rehearing, so the attorney will know what to expect and how to prepare their case.

#### 6. THE RIGHT TO HAVE THE DETERMINATION BE BASED SOLELY UPON EVIDENCE ADDUCED AT THE REHEARING

All evidence being considered should be adequately identified during the rehearing--documents by date, title and author, as well as oral testimony. Any evidence not specifically documented in the transcript or record of the rehearing should not be considered in the Local Board's determination.

7. A STATEMENT BY THE LOCAL BOARD OF THE REASONS FOR THEIR DECISION AND THE REHEARING EVIDENCE RELIED UPON FOR THAT PURPOSE

After the determination at the rehearing, the Local Board should again give formal written notice by certified mail to the applicant detailing the Local Board's decision and the evidence relied upon by the Local Board in reaching their decision. The minutes of the rehearing should also include specific findings of the Local Board supporting their decision with a thorough explanation of how the Local Board resolved any conflicts in the medical evidence.

## **A GUIDE TO PROCESSING AN ACCIDENTAL, CATASTROPHIC OR ORDINARY DISABILITY RETIREMENT**

*The following letters are intended to be a guide for in processing an accidental, catastrophic or ordinary disability retirement under the Public Safety Personnel Retirement System.*

*You are free to use or modify these letters and procedures as you wish. They are not intended to supersede any current letters or procedures that you, as the Local Board, may have already implemented. Additionally, the Disability Questionnaires presented in this section are for illustration purposes. Local Boards must ensure that the proper Disability Questionnaire is being utilized in processing each disability type.*

### **STEP I**

August 22, 2011

Re: Disability Application - Public Safety Personnel Retirement System

Dear Mr. Smith:

Per your request of this date, I am enclosing an Application for Disability Retirement (Form P5-EE) and the applicable Public Safety Personnel Retirement System statutes pertaining to disability benefits available under the System. Please review the highlighted areas of the statutes provided and if you feel that you are eligible to apply for a disability pension, complete and return the application to my attention at the address above. Please be sure that you indicate on the form the type of disability for which you are applying.

Please be advised that the local board can review and discuss your confidential records only in executive session. However, a final decision on your entitlement to a disability benefit will be made in an open public meeting. To allow you to present your case to the local board in an orderly manner and to prevent the necessity of having to go into executive session numerous times, please complete the Waiver of Confidentiality section on page 2 of Form P5-EE, Application for Disability Retirement.

If you have any further questions regarding the above, do not hesitate to contact me.

Sincerely,

Local Board Secretary

Enclosures

## Step II

August 29, 2011

Re: Application for Disability Retirement - Public Safety Personnel Retirement System

Dear Mr. Smith:

The Public Safety Personnel Retirement System Local Board for the City of xxxx has received your Application for Disability Retirement dated August 28, 2011. We have recently requested copies of your medical files from the treating physicians that you listed on your application.

Pursuant to the statutes governing disability applications under the PSPRS, A.R.S. Section 38-859, subsection B, the Local Board requests that you be examined by Dr. Young, a specialist in occupational medicine, in order to provide the Local Board with an independent medical evaluation of your present condition. We have notified Dr. Young of our request and you will need to contact Dr. Young's office at your earliest convenience to set up an appointment for this examination. Costs of this examination will be billed directly to this office.

Dr. Young's office address and telephone number are as follows:

Dr. Young, M.D.  
123 East Cortez  
Phoenix, Arizona 85008  
(602) 296-9229

If you have any questions regarding this matter, do not hesitate to contact me.

Sincerely,

Local Board Secretary

Enclosure

### STEP III

September 2, 2011

Dr. Jones, M.D.  
Southwest Disabilities  
650 Apuwai Place  
Tucson, Arizona

Re: Smith - Application for Disability Retirement - Public Safety Personnel Retirement System

Dear Doctor Jones:

Pursuant to the attached Medical Authorization, request is hereby made for copies of any and all information, records, reports and x-rays regarding your past medical treatment of the above-named patient. This person has applied for a medical disability retirement under our retirement program and by statute; the Local Board is required to base its determination of eligibility on medical information from a physician appointed by the Local Board. In this case, the Local Board has appointed the following doctor to examine the applicant:

Dr. Young, M.D.  
123 Cortez  
Phoenix, Arizona 85008

Please forward the requested medical information at your earliest convenience directly to my attention at 500 East Chandler, Phoenix, Arizona 85014. Please bill any costs associated with making copies of the requested medical information directly to this office.

Sincerely,

Local Board Secretary

Enclosure

## STEP IV

September 9, 2011

Dr. Young, M.D.  
123 Cortez  
Phoenix, AZ 85008

Re: Mr. Smith - Disability Application - Public Safety Personnel Retirement System

Dear Doctor Young:

I represent the City of xxxx Public Safety Personnel Retirement System Local Board, a retirement system for city police officers and firefighters.

Mr. Smith, a \_\_\_\_\_ for the city of xxxx, has recently applied for a medical disability retirement under the Public Safety Personnel Retirement System. On behalf of the Local Board, I hereby request that you conduct a medical evaluation of Mr. Smith in order to determine his eligibility for such a medical disability. Please bill all costs of the evaluation directly to this office at the above address.

I am enclosing a copy of Mr. Smith's Application for Disability Retirement dated August 8, 2011. I will request copies of all prior medical information, records, reports and x-rays relating to Mr. Smith's physical or mental condition and treatment from the physicians he has listed on his disability application and forward this information to you as soon as I receive it.

I am also enclosing a copy of the pertinent statutes relating to Mr. Smith's eligibility for a disability retirement and request that you complete the attached Disability Questionnaire and prepare a written report that specifically addresses the following statutory requirements:

**(NOTE: If the member is applying for an ordinary, catastrophic or temporary disability, use the applicable legal standard)**

1. Does Mr. Smith have a physical or mental condition which totally and permanently prevents him from performing a reasonable range of duties within the employee's job classification? For your information I am enclosing a copy of the duties which are required of a \_\_\_\_\_ for the city of xxxx.

2. Do you feel that Mr. Smith's disabling condition or injury was incurred in the performance of Mr. Smith's duty as a \_\_\_\_\_?

Tony Young, M.D.  
September 9, 2011  
Page -2-

3. Does Mr. Smith's disability result from a physical condition or injury that existed or occurred before the claimant's date of membership in the PSPRS? For your information, Mr. Smith began employment with the city as a full-time \_\_\_\_\_ on August 1, 1992.

In your written evaluation of Mr. Smith's condition, feel free to give a narrative of Mr. Smith's past medical history, the incidents leading to his injury for which he seeks medical retirement, and his current medical condition. The Local Board is required by law to base its decision on whether or not to grant Mr. Smith a medical retirement based on medical evidence by a doctor appointed by the Local Board. For this reason, it is imperative that you answer the questions posed above and complete and return the enclosed Disability Questionnaire.

I am simultaneously mailing a letter to Mr. Smith instructing him to contact your office at his earliest convenience to set up an appointment to be examined by you.

If you have any questions regarding this matter, do not hesitate to contact me.

Sincerely,

Local Board Secretary

Enclosures

## STEP V

September 30, 2011

Re: Application for Disability Retirement - Public Safety Personnel Retirement System

Dear Mr. Smith:

Please be advised that the matter of your Application for Disability Retirement, based on a disability related to your back injury, is scheduled to be heard at the next regular meeting of the Local Board scheduled for 1:00 p.m. on October 14, 2011, at city hall, 123 E. North Street, Ocotillo, Arizona. A copy of the notice and the agenda for the meeting is enclosed.

A copy of Doctor Young's medical report, on which the Local Board will base their decision to approve or deny your application, is enclosed for your information. I would estimate that your matter will not be heard prior to 1:30 p.m.

At the hearing, the Local Board will convene in open session to consider your application. In making their determination, the Local Board will consider and discuss the medical evidence as well as other evidence that has been presented to them. Please be advised that the local board will discuss your confidential medical records only in executive session unless you have previously executed a waiver of confidentiality.

At the hearing, you may present any witnesses or evidence that you desire. I request that you submit any additional medical evidence to me as soon as possible so that this evidence can be given to the board members in advance of the meeting.

Although the board members will be supplied all the available medical evidence prior to the hearing, they will not discuss that evidence or meet about it before the meeting. The board members will actually discuss the medical evidence only at the hearing and you may be present during the open meeting discussion.

At the conclusion of the hearing, the board members will vote in open session on whether your Accidental Disability Application should be approved or denied.

If you have any further questions in this matter, please feel free to contact me.

Sincerely,

Local Board Secretary

Enclosures

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM**

**FORM P5-LB-A**

3010 E. Camelback Rd., Suite 200, Phoenix, AZ 85016

08/12

(602) 255-5575 FAX (602) 296-2369 www.psprs.com

**ACCIDENTAL DISABILITY QUESTIONNAIRE**

Completed by Local and Medical Board (as applicable)

**PRINT Name of Employee:** \_\_\_\_\_

Pursuant to A.R.S. §§ 38-842(1), 38-844 and 38-845, an "Accidental Disability" means a physical or mental condition that the Local Board finds totally and permanently prevents an employee from performing a reasonable range of duties within the employee's job classification and that was incurred in the performance of the employee's duty.		<b>Local Board Response</b> Please Initial	
1.	Did the employee file the application after the disabling incident, or within one year of ceasing to be an employee?	YES	NO
2.	Did (or will) the employee terminate by reason of disability?	YES	NO
3.	Did employment terminate based on a disciplinary issue?	YES	NO
4.	Did employment terminate based on the employee's participation in DROP?	YES	NO
5.	Is the employee still working a position within their job classification that the Local Board considers a reasonable range of duties position?	YES	NO
6.	Has the employee refused a position within their job classification that the Local Board considered a reasonable range of duties?	YES	NO
7.	Did the injury or condition occur prior to the current PSPRS membership date?	YES	NO
8.	Was the injury or condition the result of an event incurred during the performance of the employee's duty?	YES	NO
<b>LOCAL BOARD INSTRUCTIONS:</b> If it is determined that the employee does <u>not</u> qualify, complete FORM P5-LB, provide copy of supporting documents and Local Board meeting minutes to the PSPRS. If the employee may qualify, an independent medical examination (IME) will need to be performed. Sign/date this questionnaire and forward the <b>ORIGINAL</b> , including copy of all medical evidence, job classification/description, current PSPRS membership date and any additional questions to the Medical Board.			
<b>MEDICAL BOARD (DOCTOR) INSTRUCTIONS:</b> In addition to an independent medical examination (IME report), answer the following questions, sign/date and return the <b>ORIGINAL</b> to the Local Board. Provide additional comments in the IME report.		<b>Medical Board Response</b> Please Initial	
1.	Does the employee have the physical or mental condition that is the basis for the disability application?	YES	NO
2.	Does the injury or condition <b>totally</b> prevent the employee from performing a reasonable range of duties within the employee's job classification? To the extent possible, explain in the IME report those duties the employee's injury or condition would totally prevent the employee from performing.	YES	NO
3.	Does the injury or condition <b>permanently</b> prevent the employee from performing a reasonable range of duties within the employee's job classification? To the extent possible, explain in the IME report those duties the employee's injury or condition would permanently prevent the employee from performing.	YES	NO
4.	Was the injury or condition the result of an event incurred during the performance of the employee's duty?	YES	NO
5.	During your examination of all medical evidence, did your review include any pre-existing or other injuries or conditions that existed or occurred prior to the employee's current PSPRS membership date that played a role in the disability claimed by the employee? If yes, explain in the IME report.	YES	NO
6.	Are there conflicts in the medical evidence? If yes, explain in the IME report.	YES	NO
<b>LOCAL BOARD:</b> If conflicts in the medical evidence, address if and how they were resolved in the Local Board meeting minutes. <b>LOCAL AND MEDICAL BOARD:</b> By the signature below, I/we attest that the medical records have been thoroughly reviewed, each section has been answered by the appropriate party indicated above, and the information contained herein is true, complete and correct to the best of my/our knowledge and belief.			
PRINT Name of Local Board Secretary or Chairman		Signature	Date
PRINT Medical Doctor Name and Title (e.g., M.D.)		Signature	Date

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM**

**FORM P5-LB-O**

3010 E. Camelback Rd., Suite 200, Phoenix, AZ 85016

08/12

(602) 255-5575 FAX (602) 296-2369 [www.psprs.com](http://www.psprs.com)

**ORDINARY DISABILITY QUESTIONNAIRE**

Completed by Local and Medical Board (as applicable)

**PRINT Name of Employee:** \_\_\_\_\_

Pursuant to A.R.S. §§ 38-842(34), 38-844 and 38-845, an "Ordinary Disability" means a physical condition that the Local Board determines will prevent an employee totally and permanently from performing a reasonable range of duties within the employee's department, or a mental condition that the Local Board determines will prevent an employee totally and permanently from engaging in any substantial gainful activity and that the physical or mental condition or injury did not occur before the employee's date of membership in the System.		<b>Local Board Response</b> Please Initial	
1.	Is the employee eligible for normal retirement? (If yes, the employee is not eligible for an Ordinary disability.)	YES	NO
2.	Did the employee file the application after the disabling incident, or within one year of ceasing to be an employee?	YES	NO
3.	Did (or will) the employee terminate by reason of disability?	YES	NO
4.	Did employment terminate based on a disciplinary issue?	YES	NO
5.	In regard to the <b>physical</b> injury, is the employee still working a PSPRS covered position that the Local Board considers a reasonable range of duties position within the employee's department? In regard to the <b>mental</b> condition, is the employee still working a position that the Local Board considers substantial gainful activity?	YES	NO
6.	In regard to the <b>physical</b> injury, has the employee refused a PSPRS covered position that the Local Board considered a reasonable range of duties within the employee's department? In regard to the <b>mental</b> condition, has the employee refused a position that the Local Board determined will prevent the employee from engaging in any substantial gainful activity?	YES	NO
7.	Did the injury or condition occur prior to the current PSPRS membership date?	YES	NO
<b>LOCAL BOARD INSTRUCTIONS:</b> If it is determined that the employee does <u>not</u> qualify, complete FORM P5-LB, provide copy of supporting documents and Local Board meeting minutes to the PSPRS. If the employee may qualify, an independent medical examination (IME) will need to be performed. Sign/date this questionnaire and forward the <b>ORIGINAL</b> , including copy of all medical evidence, job classification/description, current PSPRS membership date and any additional questions to the Medical Board.			
<b>MEDICAL BOARD (DOCTOR) INSTRUCTIONS:</b> In addition to an independent medical examination (IME report), answer the following questions, sign/date and return the <b>ORIGINAL</b> to the Local Board. Provide additional comments in the IME report.		<b>Medical Board Response</b> Please Initial	
1.	Does the employee have the physical or mental condition that is the basis for the disability application?	YES	NO
2.	In regard to the <b>physical</b> injury, does the injury <b>totally</b> and <b>permanently</b> prevent the employee from performing a reasonable range of duties in a PSPRS covered position within the employee's department? In regard to the <b>mental</b> condition, does the condition <b>totally</b> and <b>permanently</b> prevent the employee from engaging in any substantial gainful activity? To the extent possible, explain in the IME those duties the employee's injury or condition would totally and/or permanently prevent the employee from performing.	YES	NO
3.	Did the injury or condition occur prior to the current PSPRS membership date?	YES	NO
4.	During your examination of all medical evidence, did your review include any pre-existing or other injuries or conditions that existed or occurred prior to the employee's current PSPRS membership date that played a role in the disability claimed by the employee? If yes, explain in the IME report.	YES	NO
5.	Are there conflicts in the medical evidence? If yes, explain in the IME report.	YES	NO
<b>LOCAL BOARD:</b> If conflicts in the medical evidence, address if and how they were resolved in the Local Board meeting minutes. <b>LOCAL AND MEDICAL BOARD:</b> By the signature below, I/we attest that the medical records have been thoroughly reviewed, each section has been answered by the appropriate party indicated above, and the information contained herein is true, complete and correct to the best of my/our knowledge and belief.			
PRINT Name of Local Board Secretary or Chairman	Signature	Date	
PRINT Medical Doctor Name and Title (e.g., M.D.)	Signature	Date	

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM**

**FORM P5-LB-T**

3010 E. Camelback Rd., Suite 200, Phoenix, AZ 85016

08/12

(602) 255-5575 FAX (602) 296-2369 www.psprs.com

**TEMPORARY DISABILITY QUESTIONNAIRE**

Completed by Local and Medical Board (as applicable)

**PRINT Name of Employee:** \_\_\_\_\_

Pursuant to A.R.S. §§ 38-842(46), 38-844 and 38-845, a "Temporary Disability" means a physical or mental condition that the Local Board finds totally and temporarily prevents an employee from performing a reasonable range of duties within the employee's department and that was incurred in the performance of the employee's duty.		<b>Local Board Response</b>	
		<b>Please Initial</b>	
1. Did (or will) the employee terminate by reason of disability?	<input type="checkbox"/>	YES	NO
2. Did employment terminate based on a disciplinary issue?	<input type="checkbox"/>	YES	NO
3. Did employment terminate based on the employee's participation in DROP?	<input type="checkbox"/>	YES	NO
4. Is the employee still working a PSPRS covered position that the Local Board considers a reasonable range of duties position within the employee's department?	<input type="checkbox"/>	YES	NO
5. Has the employee refused a PSPRS covered position that the Local Board considered a reasonable range of duties within the employee's department?	<input type="checkbox"/>	YES	NO
6. Did the injury or condition occur prior to the current PSPRS membership date?	<input type="checkbox"/>	YES	NO
7. Was the injury or condition the result of an event incurred during the performance of the employee's duty?	<input type="checkbox"/>	YES	NO
<b>LOCAL BOARD INSTRUCTIONS:</b> If it is determined that the employee does <u>not</u> qualify, complete FORM P5-LB, provide copy of supporting documents and Local Board meeting minutes to the PSPRS. If the employee may qualify, an independent medical examination (IME) will need to be performed. Sign/date this questionnaire and forward the <b>ORIGINAL</b> , including copy of all medical evidence, job classification/description, current PSPRS membership date and any additional questions to the Medical Board.			
<b>MEDICAL BOARD (DOCTOR) INSTRUCTIONS:</b> In addition to an independent medical examination (IME report), answer the following questions, sign/date and return the <b>ORIGINAL</b> to the Local Board. Provide additional comments in the IME report.		<b>Medical Board Response</b>	
		<b>Please Initial</b>	
1. Does the employee have the physical or mental condition that is the basis for the disability application?	<input type="checkbox"/>	YES	NO
2. Does the injury or condition <b>totally</b> and <b>temporarily</b> prevent the employee from performing a reasonable range of duties in a PSPRS covered position within the employee's department? To the extent possible, explain in the IME those duties the employee's injury or condition would totally prevent the employee from performing.	<input type="checkbox"/>	YES	NO
3. Was the injury or condition the result of an event incurred during the performance of the employee's duty?	<input type="checkbox"/>	YES	NO
4. During your examination of all medical evidence, did your review include any pre-existing or other injuries or conditions that existed or occurred prior to the employee's current PSPRS membership date that played a role in the disability claimed by the employee? If yes, explain in the IME report.	<input type="checkbox"/>	YES	NO
5. Did your review determine that the employee may be able to return to work in the next 12 months? If no, explain in the IME report.	<input type="checkbox"/>	YES	NO
6. Are there conflicts in the medical evidence? If yes, explain in the IME report.	<input type="checkbox"/>	YES	NO
<b>LOCAL BOARD:</b> If conflicts in the medical evidence, address if and how they were resolved in the Local Board meeting minutes.			
<b>LOCAL AND MEDICAL BOARD:</b> By the signature below, I/we attest that the medical records have been thoroughly reviewed, each section has been answered by the appropriate party indicated above, and the information contained herein is true, complete and correct to the best of my/our knowledge and belief.			
PRINT Name of Local Board Secretary or Chairman	Signature	Date	
PRINT Medical Doctor Name and Title (e.g., M.D.)	Signature	Date	

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM**

**FORM P5-LB-C**

3010 E. Camelback Rd., Suite 200, Phoenix, AZ 85016

(602) 255-5575 FAX (602) 296-2369 [www.psprs.com](http://www.psprs.com)

08/12

**CATASTROPHIC DISABILITY QUESTIONNAIRE**

Completed by Local and Medical Board (as applicable)

**PRINT Name of Employee:** \_\_\_\_\_

Pursuant to A.R.S. §§ 38-842(9), 38-844, 38-845 and Section 11, a "Catastrophic Disability" means a physical and not a psychological condition that the Local Board determines prevents the employee from totally and permanently engaging in any gainful employment and that results from a physical injury incurred in the performance of the employee's duty.		<b>Local Board Response</b> Please Initial	
1.	Did the employee file the application after the disabling incident, or within one year of ceasing to be an employee?	YES	NO
2.	Did (or will) the employee terminate by reason of disability?	YES	NO
3.	Did employment terminate based on a disciplinary issue?	YES	NO
4.	Did employment terminate based on the employee's participation in DROP?	YES	NO
5.	Is the employee still working in a position the Local Board considers gainful employment?	YES	NO
6.	Did the injury occur prior to the current PSPRS membership date?	YES	NO
7.	Was the injury the result of an event incurred during the performance of the employee's duty?	YES	NO
<b>LOCAL BOARD INSTRUCTIONS:</b> If it is determined that the employee does <u>not</u> qualify, complete FORM P5-LB, provide copy of supporting documents and Local Board meeting minutes to the PSPRS. If the employee may qualify, an independent medical examination (IME) will need to be performed. Sign/date this questionnaire and forward the <b>ORIGINAL</b> , including copy of all medical evidence, job classification/description, current PSPRS membership date and any additional questions to the Medical Board.			
<b>MEDICAL BOARD (DOCTOR) INSTRUCTIONS:</b> In addition to an independent medical examination (IME report), answer the following questions, sign/date and return the <b>ORIGINAL</b> to the Local Board. Provide additional comments in the IME report.		<b>Medical Board Response</b> Please Initial	
1.	Does the employee have the physical condition that is the basis for the disability application?	YES	NO
2.	Does the physical injury <b>totally</b> prevent the employee from engaging in any gainful employment? To the extent possible, explain in the IME those duties the employee's injury would totally prevent the employee from engaging in any gainful employment.	YES	NO
3.	Does the physical injury <b>permanently</b> prevent the employee from engaging in any gainful employment? To the extent possible, explain in the IME those duties the employee's injury would permanently prevent the employee from engaging in any gainful employment.	YES	NO
4.	During your examination of all medical evidence, did your review include any pre-existing or other injuries or conditions that existed or occurred prior to the employee's current PSPRS membership date that played a role in the disability claimed by the employee? If yes, explain in the IME report.	YES	NO
5.	Was the injury the result of an event incurred during the performance of the employee's duty?	YES	NO
6.	Are there conflicts in the medical evidence? If yes, explain in the IME report.	YES	NO
<b>LOCAL BOARD:</b> If conflicts in the medical evidence, address if and how they were resolved in the Local Board meeting minutes. <b>LOCAL AND MEDICAL BOARD:</b> By the signature below, I/we attest that the medical records have been thoroughly reviewed, each section has been answered by the appropriate party indicated above, and the information contained herein is true, complete and correct to the best of my/our knowledge and belief.			
PRINT Name of Local Board Secretary or Chairman		Signature	Date
PRINT Medical Doctor Name and Title (e.g., M.D.)		Signature	Date