

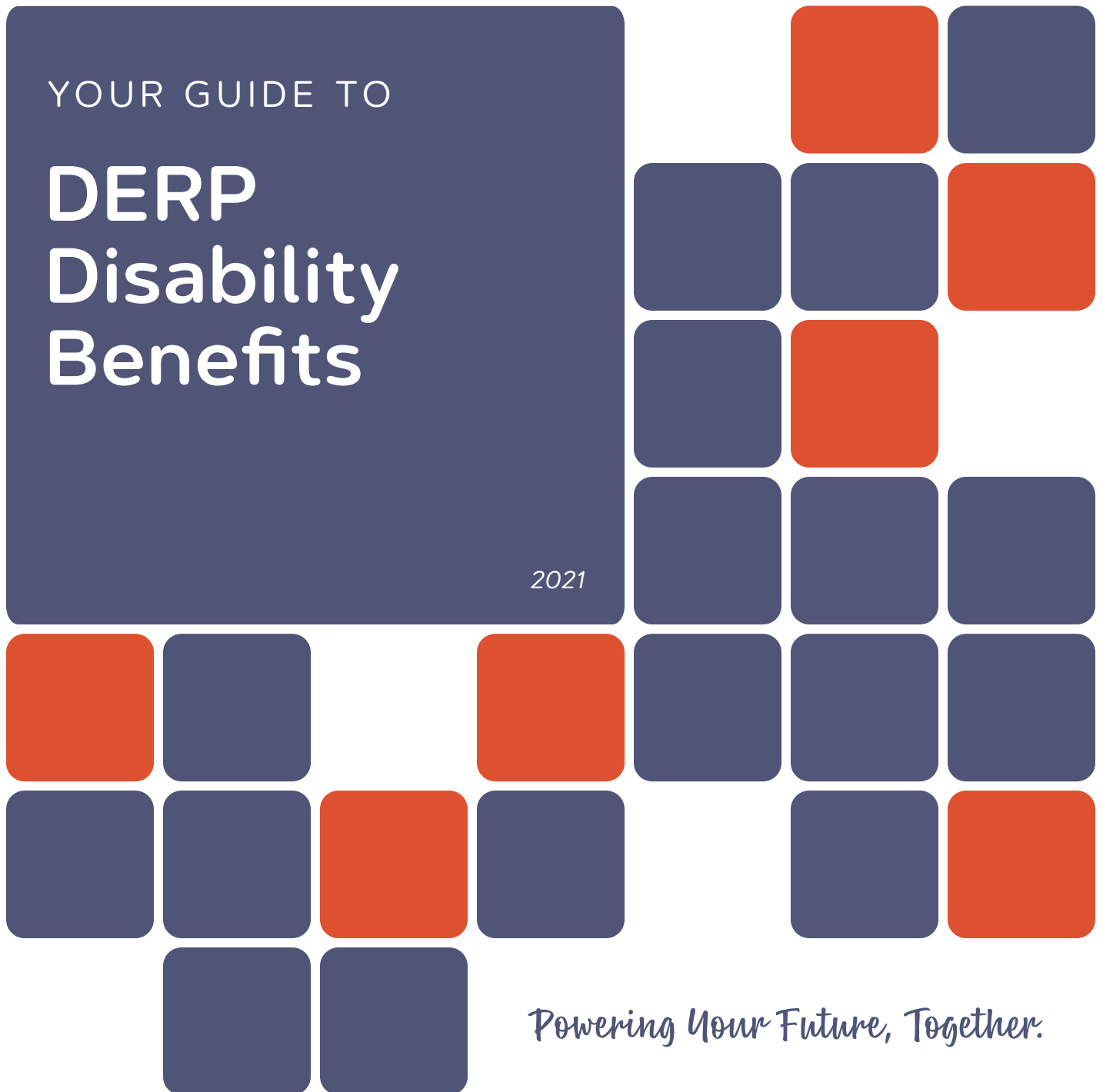


Denver Employees
Retirement Plan

YOUR GUIDE TO

DERP Disability Benefits

2021



Powering Your Future, Together.

What is the Denver Employees Retirement Plan?

The Denver Employees Retirement Plan (DERP) was established January 1, 1963 to provide a defined benefit plan for eligible City and County of Denver employees in the Career Service, certain employees of the Denver Health and Hospital Authority, and DERP staff. As a trusted steward of the city's pension plan for over 50 years, DERP has helped thousands of eligible employees build, plan, and live a strong retirement future through prudent investment management, exceptional member service, and a commitment to deliver retirement benefits to our members.

The DERP team administers retirement, disability, and survivor benefits for eligible City and County of Denver employees in the Career Service, certain employees of the Denver Health and Hospital Authority, and DERP staff.

Our Mission

To provide promised retirement benefits and exceptional service to our members through prudent investment and administration.

Our Vision

To remain financially secure, to exceed evolving customer service expectations, and to be recognized as best in class among public retirement systems.

Our Values

- Adhere to **diligent and prudent** processes
- Approach issues in a **proactive and strategic** manner
- **Communicate** effectively
- Cultivate **accountability** to each other and to all who rely on us
- Demonstrate **sound leadership** in governing and managing the Pension Benefit
- Ensure **compliance** with fiduciary standards of conduct
- Exhibit **professionalism**
- Foster **teamwork** and depth of knowledge through the **pursuit of continuous education**
- Proactively **engage all key audiences** within our operating community
- Maintain the **transparency** required and expected of a public retirement plan
- Operate with **integrity** in all our business practices
- **Respect diversity** and different points of view
- Safeguard the **security and confidentiality** of members' data and personal information
- Strive for **innovation and continuous improvement**
- Take **responsibility** for our decisions and actions

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Section 1

Disability Retirement Overview

A disability retirement benefit is available for all active members of the Denver Employees Retirement Plan (DERP). This benefit provides important protection for you and your loved ones, if you become totally and permanently disabled, whether on-the-job or off-the-job. A disability retirement benefit provides a monthly lifetime benefit if you meet eligibility requirements and stop working before you reach normal retirement age.

Below is a summary of the key steps in the disability retirement process. Review this guide for complete details.

Submit Initial Forms

Submit the Application and Statement of Disability and Authorization to Obtain Information within 90 days of your separation from the city. Forms are available on DERP's website at DERP.org/Resources.

Meet Requirements

Meet all the requirements within three years of your separation date to receive a disability retirement benefit. Refer to this guide for the requirements for an on-the-job versus an off-the-job disability.

Complete Retirement Application

Complete your retirement application package once you are approved for a disability retirement benefit. Your benefit is effective the 1st of the month following your separation date.

Section 2

On-the-Job Disability Retirement

If you become permanently disabled because of an accident or other medical reason in connection with your employment, you may be eligible for an on-the-job disability retirement benefit.

Requirements

To qualify for an on-the-job disability, you must:

- be permanently disabled due to a work-related injury or disease.
- separate from employment due to the work-related injury or disease within 24 months of when the work-related injury or disease occurred (DERP will verify with your employer).
- submit the Authorization to Obtain Information and Application and Statement of Disability forms to DERP within 90 days of your separation date.
- provide DERP with a copy of the letter of Final Admission of Liability filed by your risk management division with the State of Colorado.
- qualify for a disability benefit from the Social Security Administration for the same injury or disease and provide DERP with a copy of your Notice of Award.

All five requirements must be met within three years of your separation date.

Benefit Calculation

Once your disability benefit is approved, you are awarded additional service credit. The disability benefit is based on the higher of 20 years' service credit or actual service plus 10 years. In either case, the service credit cannot exceed the service you would have earned at age 65.

Your disability retirement benefit is determined by a defined formula based on the 3 factors.

1. Average Monthly Salary (determined by your membership tier)
2. Multiplier (determined by your membership tier)
3. Years/Months of Service Credit (your earned service credit plus the awarded additional service credit)

$$\text{Average Monthly Salary} \times \text{Multiplier} \times \text{Years/Months of Service Credit}$$

Email Help@DERP.org to have a disability benefit estimate prepared for you.

Lump-Sum Death Benefit

Once you are approved for a disability retirement benefit, you are also eligible for a lump-sum death benefit. The lump-sum death benefit is 150% of your annualized average monthly salary, limited to \$50,000. This benefit reduces to \$5,000 upon reaching age 65.

The lump-sum death benefit payment is available to be paid upon your passing to your beneficiary, or to your estate if your beneficiary is no longer living. Retirement Law allows the lump-sum death benefit to be paid to the retired member in regular monthly installments. These regular payments may be made in 50 or 100 equal monthly installments while the retired member is still alive up to \$5,000. This amount will be paid in addition to the monthly disability retirement benefit.

Section 3

Off-the-Job Disability Retirement

If you become permanently disabled because of a sickness or other medical reason not in connection with your employment, you may be eligible for an off-the-job disability retirement benefit.

Requirements

To qualify for an on-the-job disability, you must:

- have at least 5 years' service credit.
- be permanently disabled due to an injury or a disease not resulting from your employment.
- separate from employment due to the injury or disease within 24 months of when the injury or disease occurred (DERP will verify with your employer).
- submit the Authorization to Obtain Information and Application and Statement of Disability forms to DERP within 90 days of your separation date.
- qualify for a disability benefit from the Social Security Administration for the same injury or disease and provide DERP with a copy of your Notice of Award.

All five requirements must be met within three years of your separation date.

Benefit Calculation

Once your disability benefit is approved, you are awarded additional service credit. The disability benefit is based on the higher of 20 years' service credit or actual service plus 10 years. In either case, the service credit cannot exceed the service you would have earned at age 65.

Your disability retirement benefit is determined by a defined formula based on the 4 factors.

1. Average Monthly Salary (determined by your membership tier)
2. Multiplier (determined by your membership tier)
3. Years/Months of Service Credit (your earned service credit plus the awarded additional service credit)
4. Reduction (the off-the job disability benefit is 75% of the benefit calculated)

$$\text{Average Monthly Salary} \times \text{Multiplier} \times \text{Years/Months of Service Credit} \times 75\%$$

Email Help@DERP.org to have a disability benefit estimate prepared for you.

Lump-Sum Death Benefit

Once you are approved for a disability retirement benefit, you are also eligible for a lump-sum death benefit. The lump-sum death benefit is 150% of your annualized average monthly salary, limited to \$50,000. This benefit reduces to \$5,000 upon reaching age 65.

The lump-sum death benefit payment is available to be paid upon your passing to your beneficiary, or to your estate if your beneficiary is no longer living. Retirement Law allows the lump-sum death benefit to be paid to the retired member in regular monthly installments. These regular payments may be made in 50 or 100 equal monthly installments while the retired member is still alive up to \$5,000. This amount will be paid in addition to the monthly disability retirement benefit.

Section 4

Temporary Early Retirement

If you are an active, vested member and are eligible for a DERP Pension Benefit based on your age, a temporary early retirement (pending approval of a disability application) is available. This benefit is designed to provide income to you during the process of fulfilling the disability application requirements. Temporary early retirement is limited to three years.

Requirements

To qualify for temporary early retirement, you must:

- have at least five years' service credit.
- be at least age 55 (or at least age 60, for members hired on or after July 1, 2011).
- apply and submit all required documentation for a temporary early retirement within 30 days of your separation from employment.

Benefit Calculation

You are paid the monthly benefit you earned while an active employee.

Your temporary early retirement benefit is determined by a defined formula based on the three factors.

1. Average Monthly Salary (determined by your membership tier)
2. Multiplier (determined by your membership tier)
3. Years/Months of Service Credit (your earned service credit)

$$\text{Average Monthly Salary} \times \text{Multiplier} \times \text{Years/Months of Service Credit}$$

Your benefit is reduced based on the early retirement rules if you are not eligible for a normal retirement.

Once you are approved for a disability retirement, you will receive a retroactive adjustment reflecting the difference between the disability retirement benefit and the benefit received under the temporary early retirement.

Log in to your **MyDERP.org** account and click the **Benefit Estimate** button. To get a precise calculation, email Help@DERP.org.

Section 4 *(continued)*

Lump-Sum Death Benefit

While receiving a temporary early retirement benefit, you are eligible to receive a lump-sum death benefit equal to what you are eligible for under either an early or normal retirement.

The lump-sum death benefit payment is available to be paid upon your passing to your beneficiary, or to your estate if your beneficiary is no longer living.

Once you are approved for a disability retirement, the lump-sum death benefit is recalculated to 150% your annualized average monthly salary, limited to \$50,000. Retirement Law allows the lump-sum death benefit to be paid to the retired member in regular monthly installments. These regular payments may be made in 50 or 100 equal monthly installments while the retired member is still alive up to \$5,000. This amount will be paid in addition to the monthly disability retirement benefit. This benefit reduces to \$5,000 upon reaching age 65.

Section 5

Disability Retirement Process Summary

When applying for a disability retirement, it's important to understand the stages so you don't miss any key requirements or deadlines and you know what to expect. The following is a summary of the disability retirement process:

Submit Initial Forms

If you believe you may qualify for a disability retirement, you must submit the Application and Statement of Disability and Authorization to Obtain Information to DERP as soon as possible, but no later than 90 days following your separation from employment. These forms are available on DERP's website at DERP.org/Resources.

Meet Requirements

After you submit the initial forms, DERP will send you an acknowledgement letter including a list of the remaining requirements you need to fulfill to be considered for a disability retirement. All the requirements must be met within three years of your separation from employment.

Request Determination of Disability

DERP will review your file once you believe you've met the requirements for a disability retirement. The determination of disability is based on you meeting the requirements and submitting the documentation within the specified timeframes.

Complete Retirement Application Package

If DERP approves you for a disability retirement, we will contact you to complete your retirement application package. Your disability retirement is effective the first day of the month following your separation from employment. If your first benefit payment is after your effective retirement date, you will receive a retroactive payment for the months in between.

Appeal Denial

If DERP denies your request for a disability retirement, we will notify you of the decision and the reason you were denied. You may petition DERP's executive director for reconsideration of the decision. The petition must be in written form and received by DERP within 90 days after the denial of benefits.

Section 6

Receiving a Disability Retirement Benefit

Once you are approved for a disability retirement, there are a couple of factors to keep in mind:

Tax Withholding

Your DERP Pension Benefit is considered taxable income, subject to federal and state income tax, and reported to the IRS and state of Colorado. DERP can withhold federal and Colorado state taxes from your benefit. DERP cannot withhold taxes for any other state.

DERP cannot provide tax counseling. Specific questions about your taxes should be directed to your personal tax advisor, the IRS, and/or the Colorado Department of Revenue.

Health Insurance

DERP offers you and your qualified dependents access to health insurance so that you can continue to safeguard your family. Health insurance includes medical plus prescription drug, dental, and vision plans. You may enroll in one or all three types of coverage. Coverage begins once you have been approved for a disability retirement and you submit your retirement application package.

Compliance

Your disability retirement is based upon your inability to perform any regular and substantial gainful employment. You must notify DERP if you become reemployed at any time and generate income at or above the “substantial gainful activity” amount as defined by the Social Security Administration. At that time, you will no longer be eligible to receive a disability retirement benefit from DERP.

Disability Retirement Forms

Forms in this section are for reference only.
Visit DERP.org/Resources to download.

Visit DERP.org/Resources to download the
Application and Statement of Disability form.



APPLICATION AND STATEMENT OF DISABILITY

DERP ID: _____

I, _____, am making an application for the Denver Employees Retirement Plan's Disability Retirement benefit. I am permanently disabled and make the following statement pertaining to my disability (provide a statement of circumstances of the disability, i.e. injury, disease, time it occurred, extent, nature, etc.):

Pursuant to the requirements set forth in sections 18-391 through 18-430.7 of the Revised Municipal Code of the City and County of Denver, I am in the process of meeting the requirements for a disability retirement with Denver Employees Retirement Plan.

Member's Printed Name _____

Member's Signature _____

Member's Social Security Number _____

Date _____

Visit DERP.org/Resources to download the
Application to Obtain Information form.



AUTHORIZATION TO OBTAIN INFORMATION

DERP ID: _____

I, _____, authorize any physician, employer, plan administrator, governmental entity or organization, medical practitioner, or health care provider to give medical and/or employment information about me including, but not limited to, employment files, disciplinary files, medical history, diagnosis, testing and test results, prognosis and treatment of any physical or mental condition to Denver Employees Retirement Plan. Denver Employees Retirement Plan will use the information to determine my eligibility for a disability retirement.

Member's Printed Name

Member's Signature

Member's Social Security Number

Date

Notes

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Disclaimer

Your Guide to Disability Benefits is intended primarily for the members of the Denver Employees Retirement Plan (DERP) to provide a general overview. It is for informational and educational purposes only. Although efforts are made to ensure the accuracy and timeliness of the information, it is for general information only. If you have questions, you are encouraged to contact DERP for specific information regarding your DERP Pension Benefit.

DERP and its administration of the DERP Pension Benefit is governed by the Revised Municipal Code of the City and County of Denver, as well as the Internal Revenue Code and its rules and regulations, which are complex and subject to change. Though the information contained in this guide is based on the pertinent laws in effect as of this date, it cannot be relied upon as legal authority, and any conflict or inconsistencies between it and the governing laws are resolved and controlled by those governing laws. DERP makes no guarantees pertaining to the information contained within it.

DERP suggests you consult with an attorney and/or a tax advisor if you have any specific legal or tax question concerning the information provided in this handbook. In all cases, the provisions of the governing laws, rules, and regulations will prevail.



TEL (303) 839-5419
FAX (303) 839-9525



777 Pearl St.
Denver, CO 80203



DERP.org
MyDERP.org