



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

### Agenda Item 14

**MEETING DATE:** October 16, 2024

**SUBJECT:** Education: Disability Retirement

**SUBMITTED FOR:**  Consent  Deliberation and Action  Receive and File

#### **RECOMMENDATION**

Receive and file the presentation on the SCERS disability retirement process.

#### **PURPOSE**

This item supports the Strategic Management Plan to cultivate a strong Board-Staff partnership and promote transparency, fairness and consistent compliance with laws, policies, and regulations.

#### **DISCUSSION**

This presentation offers an overview of the provisions governing the disability retirement program and data and statistics spanning the previous four years. It serves to inform decisions on current and future disability retirement matters.

#### **ATTACHMENT**

- Board Order
- Disability Retirement Presentation

Prepared by:

/s/

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Keith Riddle  
Chief Benefits Officer

Reviewed by:

/s/

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Eric Stern  
Chief Executive Officer



# Retirement Board Order

## Sacramento County Employees' Retirement System

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**Before the Board of Retirement  
October 16, 2024**

AGENDA ITEM:

### **Education: Disability Retirement**

THE BOARD OF RETIREMENT hereby accepts the recommendation of staff to receive and file presentation on the disability retirement process.

I HEREBY CERTIFY that the above order was passed and adopted on October 16, 2024 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES:

(Present but not voting)

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James Diepenbrock  
Board President

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Eric Stern  
Chief Executive Officer and  
Board Secretary



# Disability Retirement

Keith Riddle, Chief Benefits Officer

October 16, 2024

# Disability Retirement

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SCERS Disability Retirement benefits are administered according to:

- The County Employees' Retirement Law of 1937
- SCERS Disability Retirement Procedures
  - Adopted January 2016, re-affirmed October 2022
- SCERS Bylaws
  - Disability provisions ratified by Board of Supervisors February 2018

# Application Timeliness (G.C. § 31722)

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Members should apply for disability retirement when unable to perform their job duties due to their illness or medical condition and:

- They are still employed, or
- Within four months after they have discontinued service, or
- Any time after they have separated from employment if they have been continuously disabled since discontinuation of service

# Eligibility

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- Member must be permanently incapacitated for the performance of duty (G.C. § 31720)
- Service connected versus non-service connected
- If non-service connected, member must have completed 5 years of service (G.C. § 31720)
- Eligibility is based on a competent medical opinion (G.C. § 31720.3)
- Disability Retirement shall not be used as a substitute for the employer's disciplinary process (G.C. § 31720.3)

# Benefits Payable – Non-Service

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- 20% of final average salary with 5 years of service
- Increases 2% each year of service to a maximum of 40% of final average salary with 15 or more years of service
- No tax advantage
- Service retirement allowance calculation, if eligible, is often higher

# Benefits Payable – Service Connected

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The greater of:

- 50% of final average salary, or
- Service retirement allowance calculation if eligible to retire for service
- Amount equal to 50% of final compensation is tax exempt
- Portion of allowance exceeding 50% of final compensation at retirement is subject to taxation



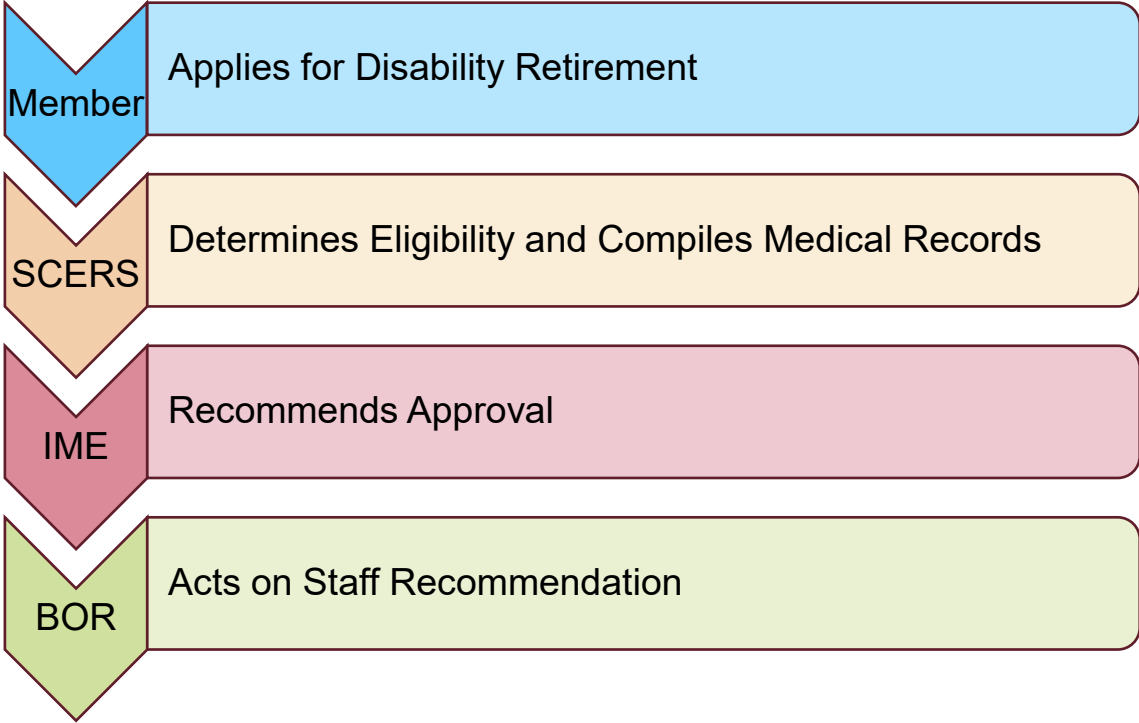
# Presumptive Conditions

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- Medical condition presumed to arise in the course of employment
  - Not a presumption of disability – permanent incapacity must be demonstrated
- Majority only apply to safety members
- Heart trouble, cancer, and lower back impairments require five years of service to be applicable
- Lower back, PTSD, Tuberculosis, Meningitis, Skin Cancer, Lyme Disease, Hernia, and Pneumonia added in 2023.
- Covid-19 presumption sunset January 1, 2024
- Rebuttable by other evidence

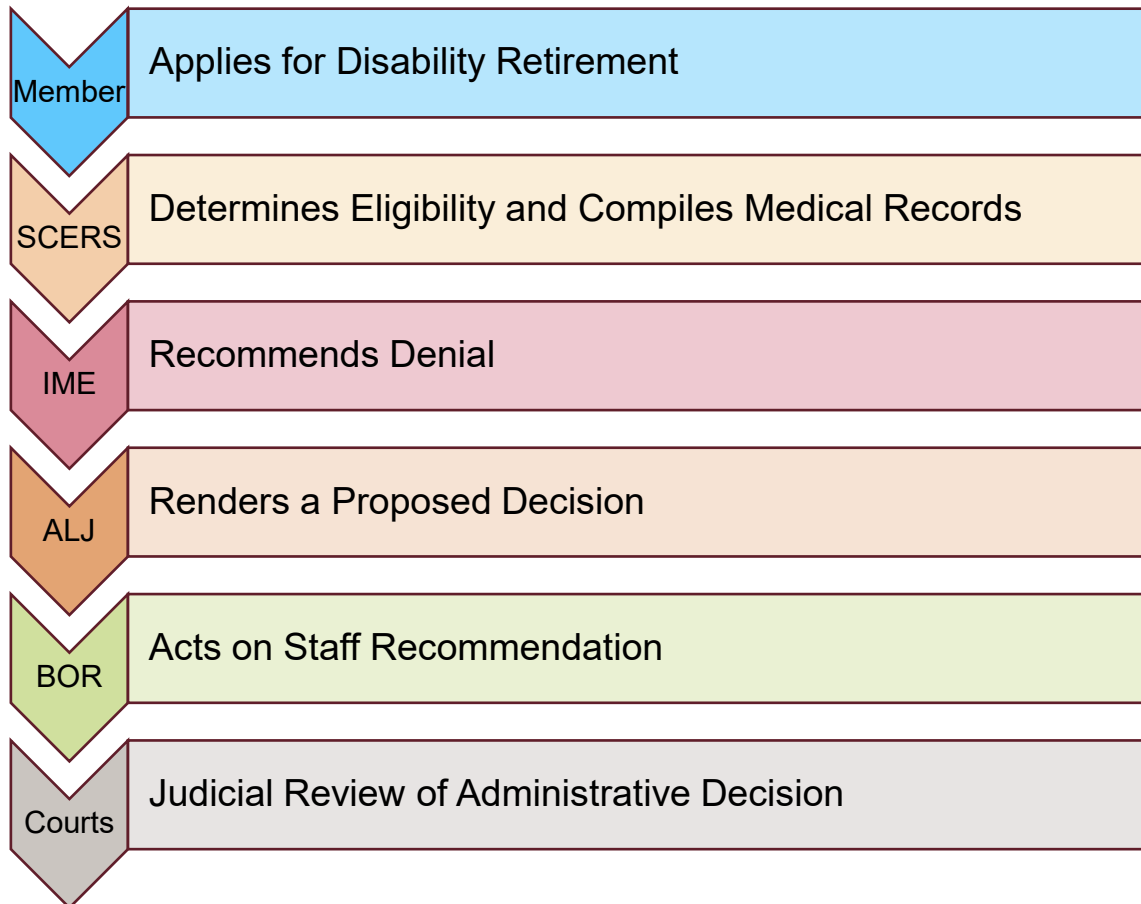
# Disability Retirement Application Process

## SCERS Disability Retirement - Approval



# Disability Retirement Application Process (cont.)

## SCERS Disability Retirement - Denial



# Disability Retirement Application Process (cont.)

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- Member or authorized representative submits disability retirement application to SCERS
- SCERS determines if application is complete and if member is eligible to apply
  - If not complete, SCERS requests missing information from member
- SCERS sends notification to member that application has been accepted
- SCERS obtains medical records, personnel records, and worker's compensation records, if applicable

# Disability Retirement Application Process (cont.)

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- SCERS compiles records into a catalog
- SCERS sends catalog to third party medical advisor
- Medical advisor reviews catalog and recommends approval or referral to Independent Medical Examiner (IME)

# Disability Retirement Application Process (cont.)

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- IME recommends approval or denial based on the exam and catalog records and addresses the following:
  - Whether the member is physically or mentally incapacitated from substantially performing the usual duties of their job with or without accommodation
  - Whether the incapacity is permanent
  - Whether the incapacity is service connected
  - Whether the member is able to perform other job duties based on restrictions imposed by the member's condition(s)
  - Whether the member's physical or mental incapacity was continuous from the date the member discontinued service to the time the application for disability retirement was filed with SCERS

# Disability Retirement Application Process (cont.)

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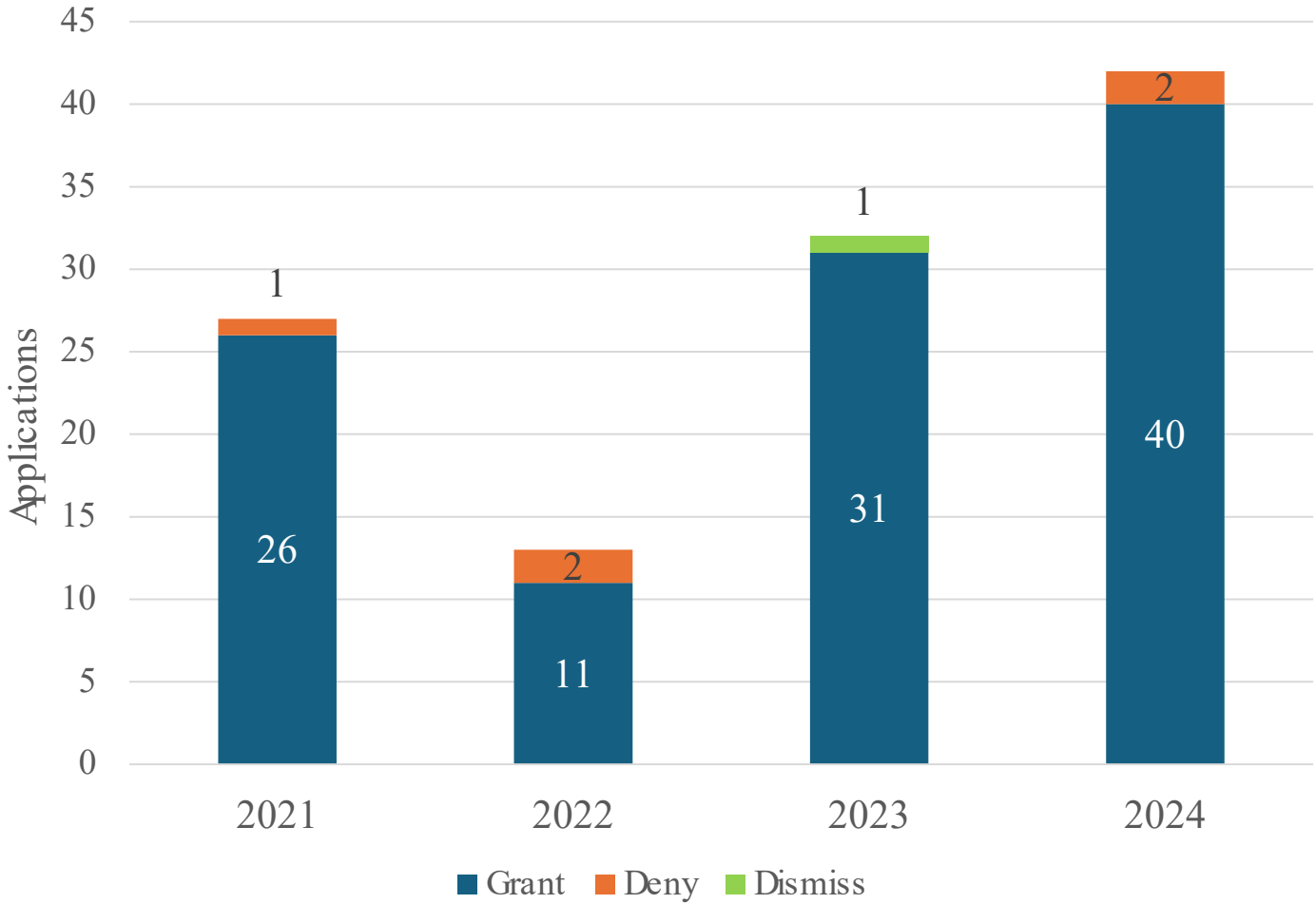
If approval is recommended by IME:

- SCERS confirms with employer if work restrictions can/could be accommodated, and if not, presents the recommendation to the BOR
- SCERS BOR takes action on staff recommendation at BOR meeting

If denial is recommended by IME or due to the employer's ability to accommodate the work restrictions:

- Member is provided appeal rights to have matter heard before an Administrative Law Judge (ALJ)
- ALJ renders a proposed decision
- SCERS staff recommends the BOR take action on the ALJ proposed decision
- SCERS BOR takes action on staff recommendation at BOR meeting
- Member provided appeal rights to the courts for judicial review

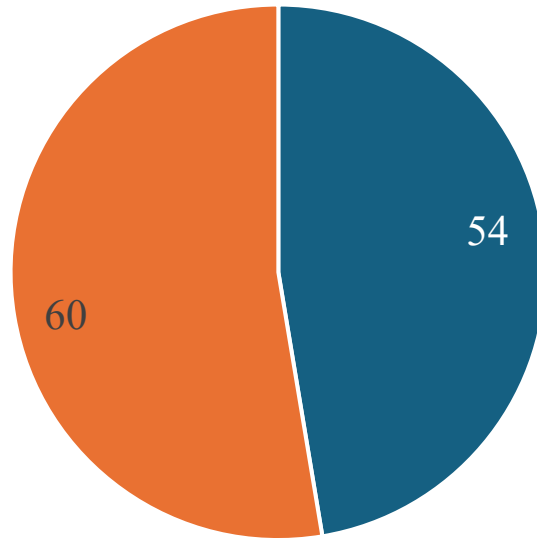
# Disability Retirement Statistics





# Applications Per Member Category

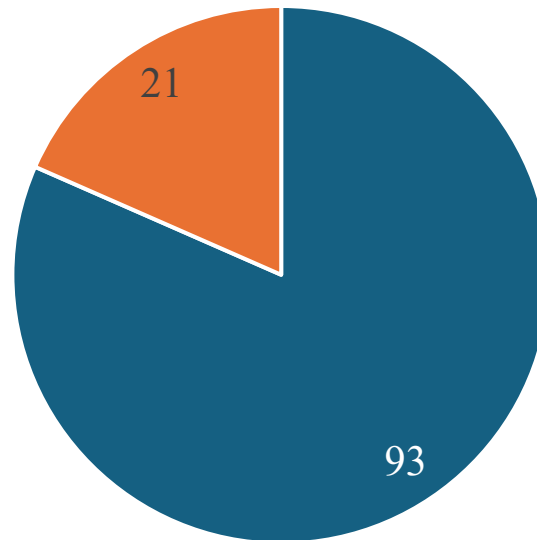
2021-2024



■ Safety ■ Misc

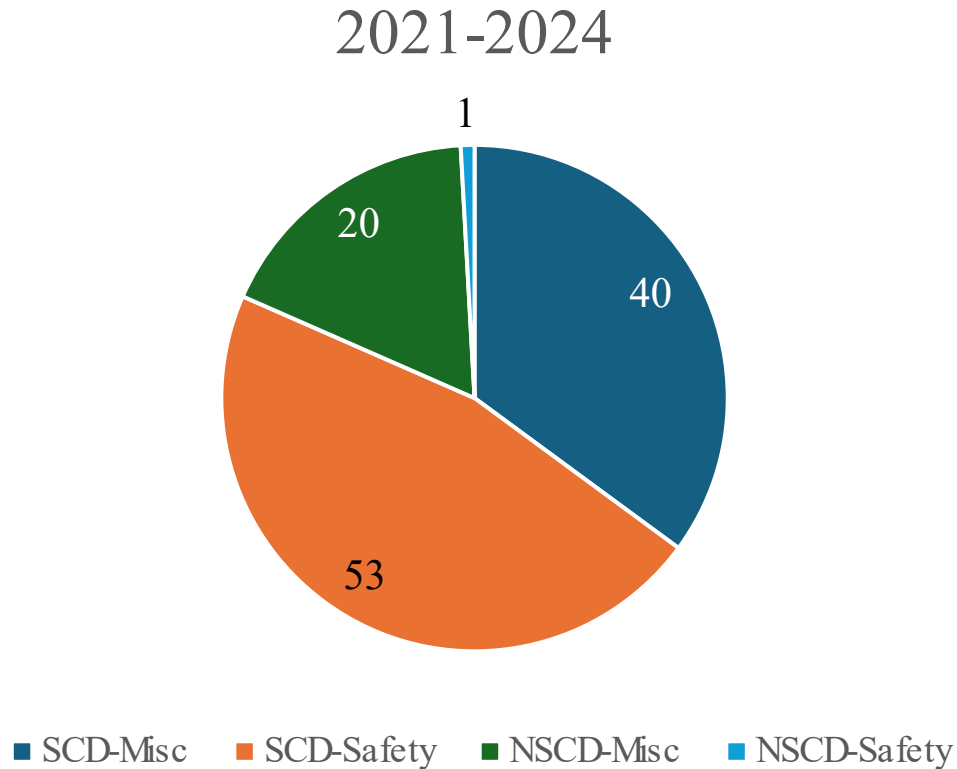
# Application Type

2021-2024

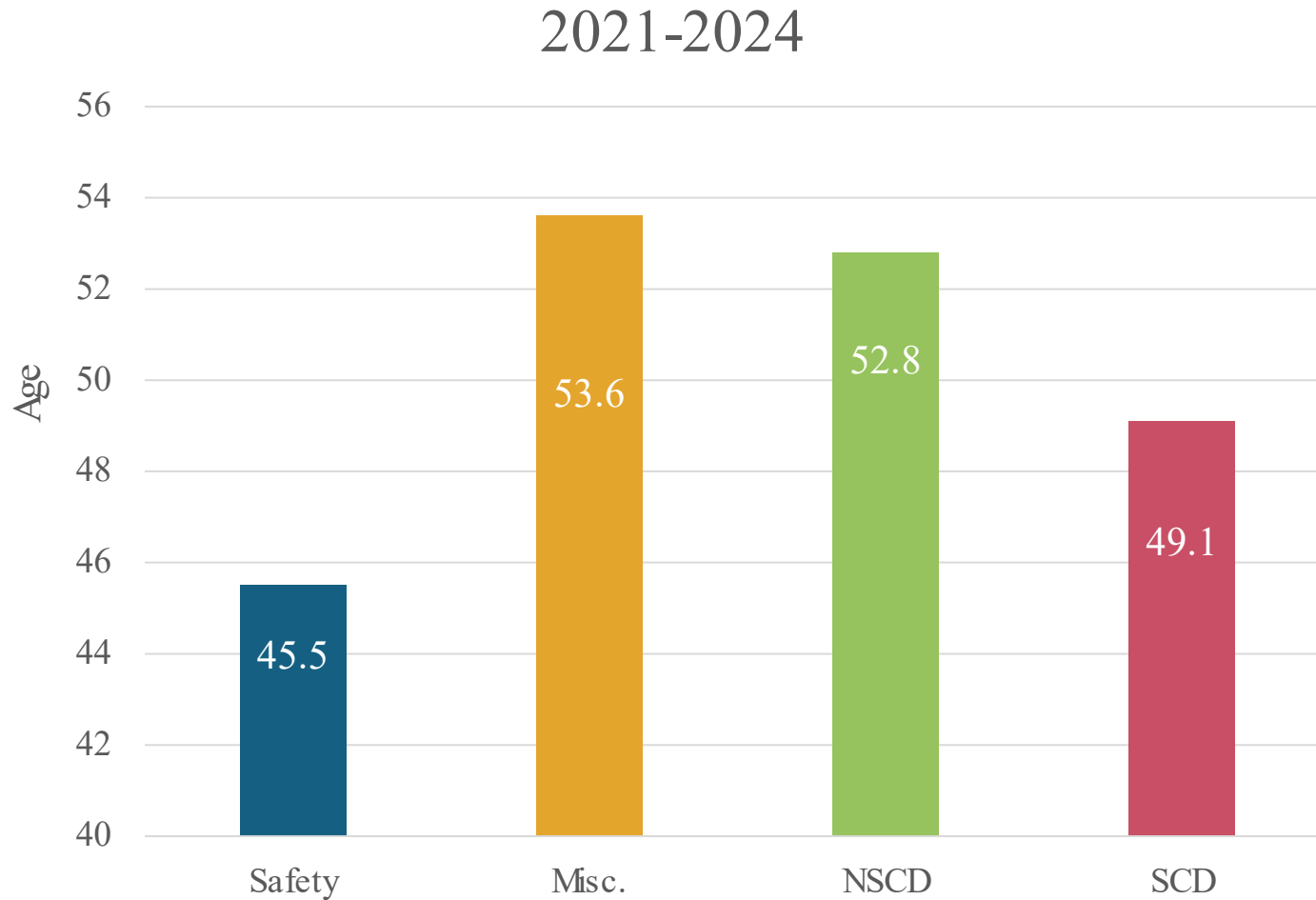


■ SCD    ■ NSCD

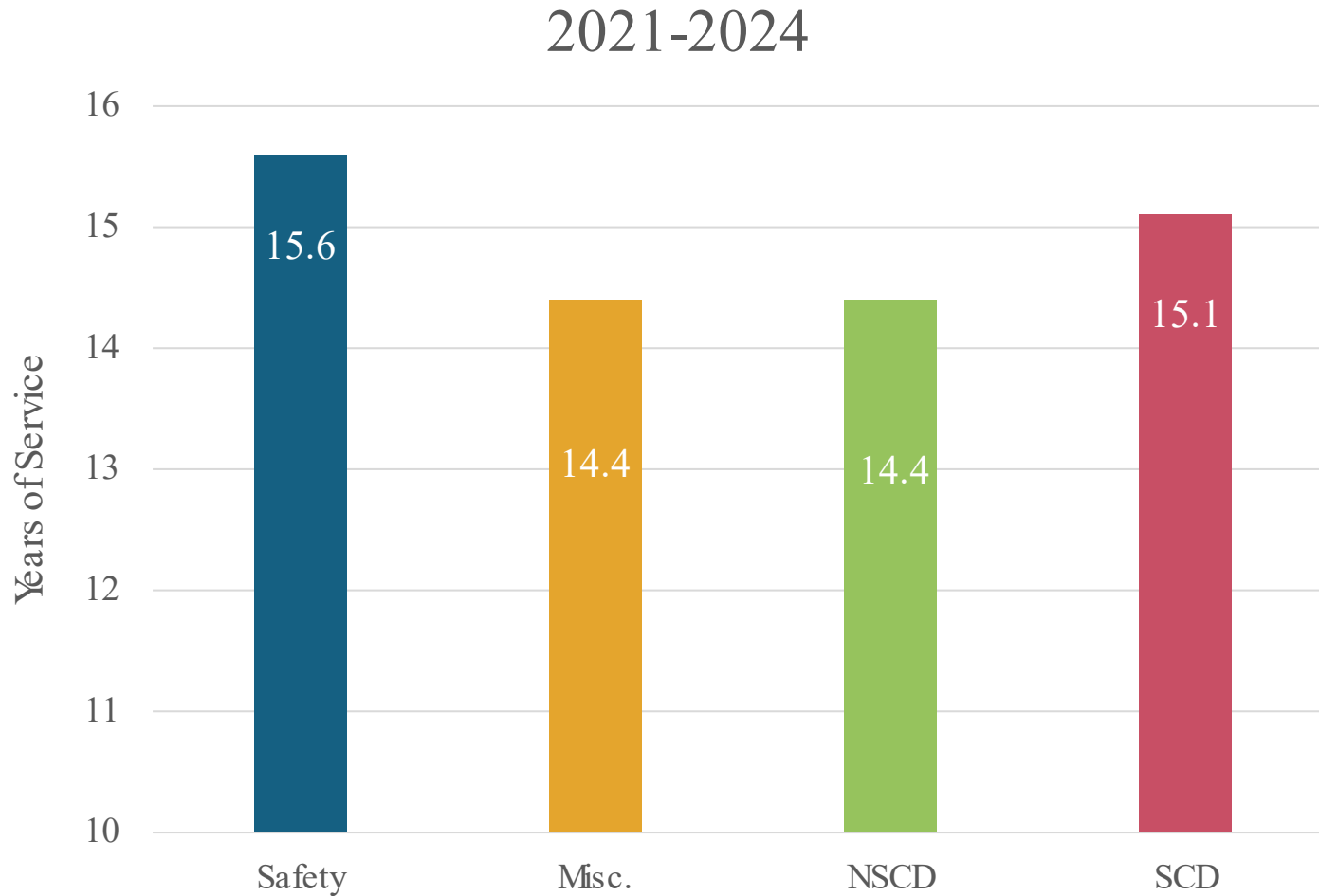
# Application Type By Member Category



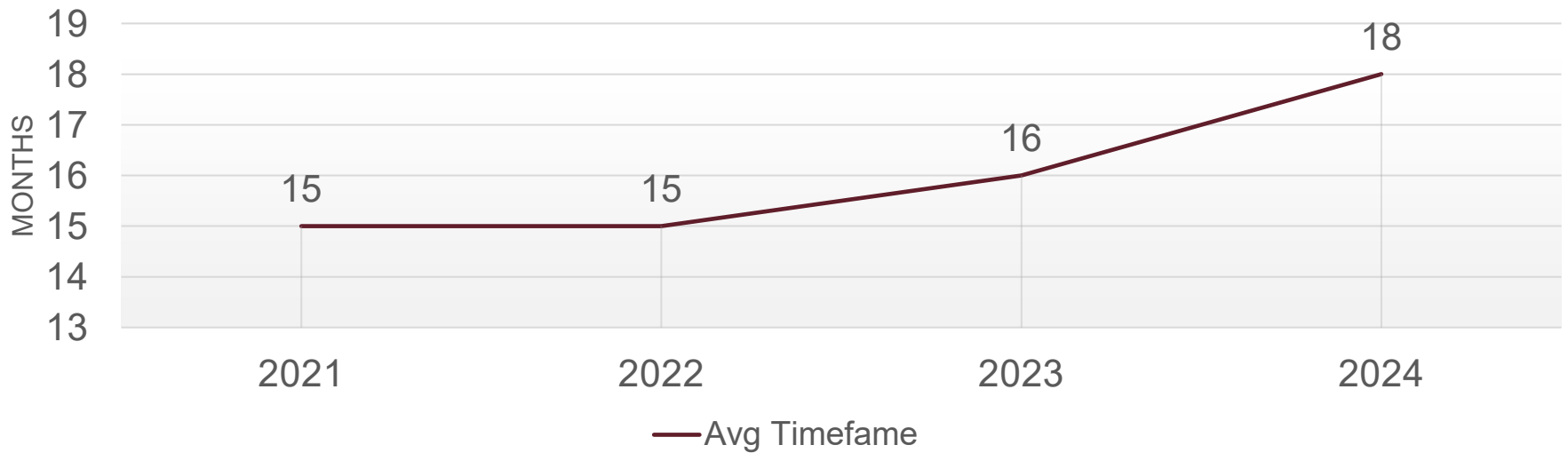
# Average Age



# Average Years of Service



# Average Time to Adjudicate



# Upcoming in 2025

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- Amendments to Disability Retirement Procedures
- Close out remaining, older cases
- Establish baseline service level expectations
- Staff training
- Re-evaluations