



STRS Ohio

Disability Program History and Follow-up

June 21, 2024

- **Background**
- **Disability Program**
- **Definition of Teaching Service**
- **Implementation of Changes**
- **Reminders/Background**
- **Disability Review Panel Options**
- **Summary of Program History**
- **Staff Recommendations**
- **Questions**

- **The disability program provides members a portion of their income if they become medically unable to work before retirement**
- **STRS Ohio offers an “own-occupation” application process. Applicants must only be found unable to perform the duties of their last covered position**
- **Disability recipients are allowed to perform other work while receiving benefits as long as it is not “teaching service,” which includes any public or private work that would be considered STRS Ohio-covered employment if performed in an Ohio public school**
- **Approximately 18% of disability recipients find other non-teaching employment to perform while receiving benefits**

- **Between 2005 and 2015 the topic of outside earnings while receiving a disability benefit was a common Retirement Board discussion**
- **The Ohio Retirement Study Council reviewed disability employment rules for the retirement systems after news articles were published regarding recipients performing work not permitted**
- **Cases of STRS Ohio disability recipients performing teaching service in other states or privately were reported**

- **The Retirement Board requested research on the topic of disability benefit recipients performing teaching services while receiving benefits**
- **Best practices were researched on earnings limits while receiving a disability benefit, any-occupation disability programs and the definition of performing teaching services**

- **The Retirement Board determined the earnings limits and any occupation disability program models were not cost-effective options and not good options for STRS Ohio**
- **A factor in decisions made around the disability program is that the total number of disability benefit recipients is declining due to the older Disability Retirement (DR) program phasing out**
 - That does not mean fewer members are approved for disability benefits, but that the total number of disability recipients at any given time is lower because members are under the Disability Allowance (DA) program

- **Under the new DA disability program, recipients move to service retirement at age 65 (or later if granted after age 60)**
 - Two months after moving to service retirement, recipients can return to any teaching service
- **With fewer total disability benefit recipients in the plan at any one time, it was determined the additional staff and consultants to process and administer an earnings limit or any-occupation program was not cost effective**

- **The Retirement Board decided to more clearly define teaching service**
 - Disability recipients have always been prevented from performing teaching work while receiving disability benefits (the prior language was more broad)
- **The new definition was developed by researching best practices and reviewing the duties in job descriptions of STRS Ohio members**
- **The definition was developed to have consistent administration and provide a clear definition to ensure members knew the work they could and could not perform while receiving a disability benefit**

- **All existing disability benefit recipients received a letter explaining the change and anyone with concerns could submit their job description for review**
- **New disability benefit recipients are informed they cannot perform teaching services while receiving a disability benefit when they apply, throughout the application process, when a benefit is approved and through communications twice a year after benefits begin**
- **Disability benefit recipients are asked to send a job description to STRS Ohio for review before beginning employment to ensure they are not performing work that would impact their disability benefit**

- **Funston audit recommendation regarding DRP**
 - The board should eliminate the board’s Disability Review Panel (DRP) and delegate the appeals process to staff and the Medical Review Board (MRB) and focus the board more on oversight of the policies and procedures, including approval of selection of the MRB. This will enable the board to focus on process and oversight where it determines that delegation is prudent.
- **Board discussions with Aon**
 - **November board meeting** – Aon concurred with Funston audit recommendation.
 - **December board meeting** – Staff was directed to provide a disability program overview to aid the board in its decision around DRP
- **Board discussions with staff**
 - **March board meeting** – Staff provided an overview of the disability program and the board directed staff to bring back several DRP delegation options that take into account the following concerns: diversity of MRB members and ensuring the integrity of MRB members understanding of the classroom teacher’s experience in a standard classroom setting

- **Diversity of MRB members**
- **Suggestions for education for MRB**
 - Provide annual video continuing education to MRB members that shows a day in the life of a teacher
 - Provide Retirement Board members “day in the life of a teacher” information
 - Create a continuing education video for the MRB members
 - Expand the member appeal statement information requested.

- **The current “own-occupation” disability program supports teachers by requiring them to be found disabled from their current position, not all employment**
- **Many “any-occupation” disability programs reduce their disability population to only those with terminal or traumatic conditions, so the likelihood of outside employment is reduced**
- **Having clear lines defining teaching service, protects recipients by clearly outlining the employment rules to prevent an unexpected termination of benefits**
- **The current rules also provide consistent administration of the program and have reduced the number of large overpayments**

- **Board meeting**

- Discuss staff options provided
- Direct staff to seek legislative change to delegate disability appeals to staff and implement staff recommended program enhancements

Questions?

This material is intended for use by the board of the State Teachers Retirement System of Ohio (STRS Ohio) and not by any other party. STRS Ohio makes no representations, guarantees, or warranties as to the accuracy, completeness, currency, or suitability of the information provided in this material. Nothing included herein is either a legal reference or a complete statement of the laws or administrative rules of STRS Ohio. In any conflict between the information provided herein and any applicable laws or administrative rules, the laws and administrative rules shall prevail. This material is not intended to provide tax, legal or investment advice. STRS Ohio disclaims any liability for any claims or damages that may result from reliance on this material or the information it contains, including any information obtained from third parties.