

CHATTANOOGA

FIRE & POLICE

PENSION FUND

MEMBER'S GUIDE TO:

DISABILITY BENEFITS

SERVING THOSE WHO SERVE OUR COMMUNITY!



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This Member’s Guide to Disability Benefits is a summary of disability benefits for the participants in the Chattanooga Fire and Police Pension Fund and is meant to assist Members in understanding the disability process. The Pension Legislation will govern the rights to benefits in all cases. The Board of Trustees reserves the right to amend Pension Legislation and this Member’s Guide to Disability Benefits, in accordance with the law, from time to time. Disability benefits may be modified or eliminated at any time. This guide was originally approved on December 20, 2018. Revision dates on August 6, 2020, April 1, 2021.

The Board of Trustees (the “Board”) of the Chattanooga Fire and Police Pension Fund (the “Fund”) understands and acknowledges the importance of providing benefits for actively employed Firefighters and Police Officers who become disabled in accordance with the provisions of Section 2-410 of the Chattanooga City Code. The Board further recognizes its fiduciary duty to act on behalf of the Fund in the best interest of all its participants. Therefore, the Board establishes this Member Disability Benefits Guide (“Guide”) to assist members in understanding the disability process; as well as to guide the Board, its members (“Trustees”) and employees of the Fund (“Staff”) when receiving, processing and hearing applications for disability benefits by sworn Members.

Eligibility Requirements

All sworn Firefighters or Police Officers (“Members”) who are eligible to participate in the Fund are eligible to be considered for a disability benefit. Notwithstanding the foregoing, Members who are Actively Working in their normal capacity or who are not active employees of the Fire or Police Departments are not eligible to apply for disability benefits.

Failure to meet such eligibility requirements may result in an automatic denial of the disability application.

Types of Disability Benefits

A disabling condition must be permanent, not temporary, in nature. Unlike sick leave and certain worker’s compensation benefits that are designed to provide maintenance income for a temporary disability, the disability benefits provided by the Fund are only for permanent disability conditions. As described in this

section, disability conditions are classified as Job Related, Non-Job Related, or Permanent and Total.

Job-related Disability Benefits

Members are covered for a Job Related Disability (“JRD”) from their first day of participation in the Fund. To be eligible for a JRD benefit, a Member must be unable to perform his/her duties as a Firefighter or Police Officer due to an injury or illness that results from the performance of his/her sworn duties. Under state law, Heart disease, Hypertension, Human Immunodeficiency Virus (HIV) and Hepatitis C are presumed to be job related illnesses for both Police Officers and Firefighters. The state law further presumes that lung related illnesses to be job related for Firefighters. Medical evidence is required for the presumptive heart or lung disease statute to be overcome. No Member shall be retired on a disability pension until at least six (6) months after disability was received.

For JRD disabilities that are mental health in nature; please refer to the Mental Health Disabilities section of this guide for additional information and/or requirements.

The JRD benefit is 60% of the disabled Member’s Final Average Salary (“FAS”). JRD benefits are not taxable for income tax purposes.

Non-Job Related Disability Benefits

Members are covered for a Non-Job Related Disability (“NJRD”) after 3 years of participation in the Fund. To be eligible for a NJRD benefit, a Member must (1) be unable to perform his/her duties as a Firefighter or Police Officer due to an injury or illness that is unrelated to his/her official duties; and (2) be unable to perform any

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other available general employee positions for the City of Chattanooga.

For NJRD disabilities that are mental health in nature; please refer to the Mental Health Disabilities section of this guide for additional information and/or requirements.

The NJRD benefit for Members with 3 to 10 years of service is 30% of their FAS. The benefit increases by 2% of FAS for each year of service over 10 years. The maximum NJRD benefit is 60% of the disabled Member's FAS. NJRD benefits are taxable for income tax purposes.

Payments under this section will not commence until the Member has exhausted all sick days, annual days, accumulated days, compensatory days, and annual leave days.

Permanent & Total Disability Benefits

Members are covered for a Permanent & Total Disability ("PTD") from their first day of participation in the Pension Plan. To be eligible for a PTD, a Member must be disabled to the point of being unable to perform ANY gainful employment. Both job related and non-job related injuries and illnesses are covered under this provision.

For PTD disabilities that are mental health in nature; please refer to the Mental Health Disabilities section of this guide for additional information and/or requirements.

The PTD benefit is 68.75% of the disabled Member's FAS. The PTD benefit is not taxable for income tax purposes if it results from a job-related injury or illness.

Additionally, if a Member has one or more minor children at the time he/she begins to receive PTD benefits, he/she is entitled to

receive \$500 per month, per minor child, not to exceed a total of \$1,000 per month during the minority of such children. The aforementioned benefit is not subject to any cost of living adjustments.

In the event that a Member was retired on a PTD recovers to the extent that he/she is able to engage in gainful employment again, he/she must notify the Board of such change and the PTD pension shall be terminated. The Member may reapply for other such disability they may be eligible for.

Disability Benefit Chart

The following chart outlines the benefit formulas under the three types of disabilities: JRD, NJRD, and PTD. You may also refer to the Summary Plan Description for additional information.

Type	Years of Service Credit	Formula
JRD	From first day to retirement eligible	60% x FAS
NJRD	3 years to retirement eligible	<ul style="list-style-type: none">• 30% x FAS for 3 to 10 years• 30% x FAS plus additional 2% for each year 11 to 25 years• 60% maximum benefit
PTD	From first day to retirement eligible	68.75% x FAS

Exceptions to Benefits

Disability benefits will not be granted to a Member under certain conditions that include but are not limited to disabilities resulting from

substance abuse, participation in unlawful acts, extended leave without pay, intentional self-inflicted injuries, or an injury or disease sustained while serving in the Armed Forces or as a result of warfare.

Appointment to Discuss the Disability Process

The Fund strongly encourages potential applicants to schedule an appointment with the Fund Administrator to discuss all aspects of the disability process. During this appointment, the Fund Administrator will review the disability process and explain the types of supporting documentation necessary to complete an application for disability benefits. Please call the Fund Office at 423-893-0500, Monday-Friday, 8:00 a.m. to 4:00 p.m. ET to schedule an appointment.

Fund Staff shall document in writing and place in the Member's file when Members or other interested persons inquire about disability for themselves or specifically for another Member.

A copy of this guide shall be provided to any Member or interested persons who makes a request.

Applying for Disability Benefits

Application

Any Actively Employed Member seeking to complete an application for disability benefits will be given the opportunity to do so. The Member (hereinafter "Applicant") must submit his/her application to a Trustee or Staff member. The application date will be the date that the completed application has been received by a Trustee or Staff. The application

must be notarized and accompanied by the following information:

- Statement from a qualified physician stating that the Applicant is permanently unable to perform his/her duties in their respective department
- Statement from the City of Chattanooga that they can't accommodate the Applicant's stated disabling condition
- For NJRDs, a statement from the City of Chattanooga that they do not have any general employee positions available for which the Applicant is reasonably qualified

The Applicant must also physically present his/her application before the Board during a regularly scheduled meeting within two months of the date of application or by the third regularly scheduled meeting of the Board, whichever comes first. Meetings are held the first and third Thursday of every month at 9 a.m. ET at the Fund Office.

In the event that an Applicant's injury or illness is such that it prevents him/her from appearing before the Board in the allotted time, the Applicant may request a Staff member or other designee to present the application on his/her behalf. Such person may file an application for disability benefits with the Staff; as well as appear before the Board. If completing the forms on Applicant's behalf, the person must possess the legal authority, such as a power of attorney or conservatorship, authorizing them to sign on the Applicant's behalf.

The Board will not accept the disability application of any Applicant who is no longer Actively Employed on the date of application; or who is Actively Working on the date the application is presented to the Board during a meeting.

The disability application process can be lengthy and varies from Applicant to Applicant depending on the complexity of the stated disabling condition.

Any false statements made on an application for disability benefits may result in the termination of the Applicant's disability benefits and may subject the Applicant to civil and criminal penalties.

Pertinent Records

The filing of the disability application is the first step in the disability process. Upon the Board's determination that an Applicant meets the eligibility requirements, the Staff will begin the process to obtain copies of pertinent medical and employer records to support the stated disabling condition. The Fund will pay all reasonable expenses incurred during the collection of pertinent records. The Fund requires that records in support of every application are received directly from the keeper of those records. Applicants will be required to sign the Release of Information forms necessary to obtain such records. Any application will be deemed void if the Applicant refuses to provide the necessary authorization.

Keep in mind that obtaining such records can be a time consuming process. When completing the Application for Disability Benefits, please ensure that the information provided is thorough in listing all requested healthcare providers over the last ten years. Not doing so can lengthen the disability application process. Supporting records include but are not limited to physicians, psychologists, psychiatrists, counselors, chiropractors, diagnostic facilities, physical therapists, hospitals, surgical centers, etc. Medical records to be collected will include a minimum of a 10-year history, if available.

When possible, Staff will request records that pre-date the injury/illness for which the Applicant is claiming disability even if the condition occurred more than 10 years prior to the application.

Once all pertinent records have been received by the Staff, the records will be made available to the following:

- Applicant
- Board of Trustees
- Fund Attorney
- Independent Medical Exam (if applicable)

Applicants will be notified once their records are available for pick up at the Fund Office.

The Board has the right to refuse to process an incomplete application and to void any application that omits material evidence after giving the Applicant the opportunity to provide the missing evidence. If the Applicant refuses to cooperate with the Board and Staff to gather the pertinent records, the Board may cease to process the application.

Independent Medical Exam

Once the Fund has obtained all the necessary records and documentation to move forward with the Applicant's disability application, the Applicant may be scheduled to have an Independent Medical Exam ("IME") unless the illness or injury is shown by evidence satisfactory to the Board to be catastrophic and/or the existing medical evidence collected by the Staff clearly shows that the Applicant is not disabled; the Applicant has a stated disability, but the stated disability is not related to the performance of the Applicant's duties as a sworn Firefighter or Police Officer (for a JRD request); the stated disability does not prevent the Applicant from performing his or her duties as a sworn Firefighter or Police Officer; or the

Applicant can't continue performing the duties of a sworn Firefighter or Police Officer in the Applicant's respective department.

Notwithstanding the foregoing, the Board reserves the right, at its discretion, to schedule an IME for any disability Applicant or any participant currently receiving disability benefits. An IME is to be conducted by a physician chosen by the Board and with whom the Applicant is not a patient or personal acquaintance. The cost of the IME shall be paid by the Fund. An IME is not intended to diagnose or treat an Applicant's stated disabling condition, but rather provide an independent consultation on the status of such condition.

In the event that the Board believes it has obtained overwhelming evidence in support of or against the Applicant's stated disabling condition, the Board may waive the requirement to have an IME completed.

For IME requirements regarding mental health disabilities; please refer to the Mental Health Disabilities section of this guide.

Disability Hearing

Once the Board has obtained all necessary records and documentation supporting the stated disabling condition, the Board may conduct a disability hearing. Unless waived, the Applicant has the right to receive written notification, at least five days prior to the hearing date, of the hearing of the disability application.

Disability hearings are to be conducted by the sworn Trustees of the Board. Notwithstanding the foregoing, the sworn Trustees of the Board reserve the right to request the presence of the Mayor's appointee and/or the City Council appointee at the hearing. If either or both of

those Trustees attend the hearing, they shall have all the rights and responsibilities of a sworn Trustee, including but not limited to the right to vote on the disability application.

Applicants have the right to have an attorney and/or a spouse or other person not a sworn member of either department present at the hearing. An employee group representative may also attend at the request of the Applicant. All other guests must remain in the lobby during the hearing. Members who intend to ask a witness or witnesses to testify on the Member's behalf must complete a witness form describing those witnesses a minimum of five (5) days prior to their scheduled hearing, or such witnesses may not be permitted. Such form shall be provided by the Staff. Persons attending the hearing to give testimony or present evidence will not be permitted to sit in on the hearing other than to provide their testimony. A court reporter will be present to record and transcribe all disability hearings.

All witnesses will be sworn in by the court reporter. The Applicant will be asked to describe his/her condition and the circumstances that led him/her to believe that he/she is disabled and why they believe their condition is JRD, NJRD and/or PTD. The Board may direct its attorney to question the Applicant about the disability and each Trustee may ask the Applicant questions about the stated disability. If any other witnesses attend, they will be questioned by the Board's attorney and by Trustees. If the Applicant has an attorney present, that attorney may also question any of the witnesses.

Once the Board has received and reviewed all of the evidence and heard all of the testimony, the President may call for a recess to discuss any legal issues. At that time the court reporter will

be asked to go off the record and the Applicant and any guests and witnesses must leave the room. The Board may ask its attorney any legal questions regarding the evidence but may not make a determination regarding the disability during this time. The Applicant and guests will be called back into the hearing room and the hearing will go back on the record. The President will ask for a motion to be made to grant or deny the disability. If a motion is made and seconded a roll call vote will be held.

Notwithstanding the foregoing, the Board reserves the right to waive the requirement of a court reporter in disability cases in which overwhelming medical evidence permits a decision to be made without a transcribed hearing or during a regularly scheduled Board meeting.

Outcome of Hearing

The Board will make the final determination as to whether the granted disability JRD, NJRD and/or PTD in nature, regardless of the type of disability sought by the Applicant.

If the disability is granted, the Applicant will be instructed to see one of the Staff to complete the remaining forms to process a disability benefit. The granted disability benefit will be effective the first day of the month following the date of the hearing.

If the disability is denied or an alternative type of disability is granted, there is no appeal process to the Board unless the Applicant can produce new information that the Board has not considered. If the Applicant produces new information, the Board will review it and decide whether to conduct a new hearing. Any new hearing will be conducted in accordance to this

Guide. The Board's decision shall be the final determination in all disability cases.

Conflicts of Interest

Trustees must recuse themselves from a disability hearing if a valid conflict of interest exists with the Applicant. Trustees who believe they have a conflict of interest must notify the other Trustees prior to the scheduling of a disability hearing. If the Trustee refuses to recuse himself/herself, the Board will hear the evidence of any perceived conflict of interest at a regularly scheduled meeting and vote on whether to require the Trustee to recuse himself/herself.

Mental Health Disabilities

Eligibility Requirements

To qualify for a JRD based on a mental health disorder, including but not limited to Post Traumatic Stress Disorder ("PTSD"), Applicants must provide evidence satisfactory to the Board which shows:

1. that the Applicant is permanently and mentally or physically incapacitated from performing his/her usual duties or any other duty in their respective department;
2. that the disability is direct result of one or more traumatic events that are
 - a. identifiable as to time and place
 - b. un-designed and unexpected, and
 - c. caused by a circumstance external to the Applicant (not the result of pre-existing disease that is aggravated or accelerated by the work);
3. that traumatic event(s) occurred during and as a result of the Applicant's regular or assigned duties;

4. symptoms that have arisen in response to that traumatic event(s) are aggravated by performing a member's regular or assigned duties;
5. that the disability was not the result of the Applicant's willful negligence; and
6. that an Applicant who is a member of the Police Department shall acknowledge in writing that s/he will surrender his/her POST certification if approved for a mental health disability.

If an Applicant is seeking a disability retirement based on a mental health disorder caused by a mental stressor without any physical impact or injury, the Applicant must establish that the disability result(s) from direct personal experience of a terrifying or horror-inducing event that involves actual or threatened death or serious injury, or a similarly serious threat to the physical integrity of the Applicant or another person.

Required Treatment

Applicants seeking a disability for PTSD must have obtained sufficient treatment for a minimum of six months prior to application. If such minimum has not been met, the application will be void.

Applicants whose disability benefits are approved by the Board are also required to maintain appropriate treatment after approval for a minimum of one year. If Applicant fails to maintain treatment for the required amount of time, the Board may terminate disability benefits.

Independent Medical Exam for PTSD

Once the Fund believes it has obtained all the necessary records and documentation to move forward with the Applicant's disability

application, the Applicant may be scheduled to have an Independent Medical Exam ("IME") unless the illness or injury is shown by evidence satisfactory to the Board to be catastrophic and/or the existing medical evidence collected by the Staff clearly shows that the Applicant is not disabled; the Applicant has a stated disability, but the stated disability is not related to the performance of the Applicant's duties as a sworn Firefighter or Police Officer (for a JRD request); the stated disability does not prevent the Applicant from performing his or her duties as a sworn Firefighter or Police Officer; or the Applicant can't continue performing the duties of a sworn Firefighter or Police Officer in the Applicant's respective department.

Notwithstanding the foregoing, the Board reserves the right, at its discretion, to schedule an IME for any disability Applicant or any participant currently receiving disability benefits. An IME is to be conducted by a physician chosen by the Board and with whom the Applicant is not a patient or personal acquaintance. The cost of the IME shall be paid by the Fund. An IME is not intended to diagnose or treat an Applicant's stated disabling condition, but rather provide an independent consultation on the status of such condition.

Applicants seeking a mental health related disability may be requested to submit to psychological testing, including but not limited to, the Personal Assessment Inventory (PAI). Additionally, the Minnesota Multiphasic Personality Inventory (MMPI), a Mental Health Functional Capacity Evaluation, and any other testing the physician performing the IME deems appropriate may be administered.

In the event that the Board believes it has obtained overwhelming evidence in support of or against the Applicant's stated disabling

condition, the Board may waive the requirement to have an IME completed.

Termination of Employment

In the event that an Applicant's employment in the Fire or Police Department is terminated after they have submitted a disability application to the Fund, whether voluntary or involuntary termination, the disability process will still move forward as outlined in this Guide. However, if an Applicant's disability application is denied, he/she will not be able to reapply since he/she is no longer an Active Employee.

Joint & Survivor Options

Applicants whose disability benefits are approved by the Board will have the option to name a Joint & Survivor beneficiary to his/her monthly benefit. If the Applicant declines to elect a Joint & Survivor upon retirement, disability benefits will cease upon the Applicant's death. Please refer to the Summary Plan Description for additional information regarding Joint & Survivor options.

Survivor and Death Benefits

In the event that a Member dies before retirement, and has not elected a Joint & Survivor Option, there may be survivor benefits. The Fund provides a \$10,000 lump sum death benefit for all active and retired participants and is payable according to their most recent beneficiary designation on file.

JRD Surviving Spouse Benefits

In the event that a Member dies before retirement from any injury suffered, or receive a disability while engaged in the performance of his or her duties resulting in death within six (6) months of injury, the surviving spouse is

entitled to receive the same benefit the Member would have received on JRD disability.

Survivors are advised to refer to their tax advisor to determine if Survivor benefits are taxable.

Surviving spouses may be eligible for an enhanced survivor's benefit of 100% of the Member's FAS if the Board determines the Member was killed as a direct and proximate result of a personal and traumatic injury involving external forces sustained in the line of duty.

NJRD Surviving Spouse Benefits

In the event that a Member with less than three (3) years of service dies as a result of any disability that occurred while employed, but stated disability is not related to his or her official duties in the Fire or Police Department, then his or her contributions will be refunded to his or her estate.

In the event that a Member with three (3) years of service but less than ten (10) years of service dies as a result of any disability that occurred while employed, but stated disability is not related to his or her official duties in the Fire or Police Department, then surviving spouse will receive the amount of \$500 per month, plus all appropriate cost of living adjustments after July 1, 1999.

In the event that a Member with ten (10) years of service or more but is not retirement eligible dies as a result of any disability that occurred while employed, but stated disability is not related to his or her official duties in the Fire or Police Department, then surviving spouse will receive the equivalent of a 50% Joint & Survivor Option of the calculated NJRD disability benefit the Member would have received.

Survivors are advised to refer to their tax advisor to determine if Survivor benefits are taxable.

Survivor Benefits other than Surviving Spouse

The following survivor benefits apply to both JRD and NJRD disability benefits:

If there is no surviving spouse, the disability benefit is distributed to each minor child of the Member in the amount of \$500 per month, plus all appropriate cost of living adjustments after July 1, 1999; with the total amount payable to minor children not to exceed the amount the Member would have received on disability. Benefits for minor children will cease the month the minor child reaches his or her 18th birthday.

If there are no minor children, the disability benefit can be distributed to two (2) dependent parents, provided they were solely dependent on the Member and have no other means of support. Each parent can receive half of the benefit the Surviving Spouse would have received. If there is only one (1) dependent parent, that parent will be paid the same benefits the Surviving Spouse would have received.

Cost of Living Adjustments

Applicants whose disability benefits are approved by the Board are eligible to receive Cost of Living Adjustments (“COLAs”). Please refer to the Summary Plan Description for additional information regarding COLAs.

Monitoring and Terminating Disability Benefits

By granting disability benefits, the Trustees of the Board have determined that an Applicant is permanently restricted and unable to perform

his/her duties as a firefighter or police officer. Upon approval of disability, an Applicant will be required to acknowledge in writing that he/she is unable to engage in certain capacities. In the event that an Applicant recovers from his/her disabling condition, or the Applicant has returned to work as a firefighter or police officer, the Fund will terminate disability benefits.

All participants receiving disability benefits will be required to submit to the Staff a complete Wage and Income Transcript for the preceding tax year no later than August 15 of each year. If the participant fails to produce said statement by August 15, the Fund will cease subsequent benefit payments until such statement has been provided. Complete Wage and Income Transcripts are available free of charge online at www.irs.gov or via mail. The Fund will not accept a transcript with a request date prior to July 1 for the preceding year.

The Board may periodically require those who are already receiving disability benefits to provide proof that the injury or illness continues to prevent him/her from performing his/her duties as a firefighter or police officer. The Board may also require an updated Independent Medical Exam when reviewing disability pensioners. The cost of such a requirement will be paid by the Fund.

Re-employment as a Firefighter or Police Officer

If a participant is receiving disability benefits, those benefits can be terminated if he/she becomes engaged in the capacity as a firefighter or police officer. Such capacity includes, but is not limited to a person who is appointed, commissioned, compensated, designated,

employed, engaged, volunteering, or otherwise serving as a firefighter or police officer.

If a participant is receiving disability benefits for a mental health related disability, the participant's disability benefits can also be terminated if he/she becomes engaged in the capacity of ANY first responder related occupations, such as but not limited to, firefighter, police officer, emergency medical technician, or paramedic.

For any concerns regarding whether a potential position could jeopardize a disability benefit, please send a written inquiry and include a copy of the official job description to the Fund office.

Collection of Overpayment due to Termination of Disability Benefits

If a disability benefit is overpaid due to a termination of the benefit, the Fund has an obligation to recover these funds. The Fund will collect overpayments of benefits that resulted from becoming reemployed in a prohibited position and/or the Board determines the disability no longer exists and the aforementioned results in termination of disability benefits.

Any overpayment of benefits is to be reimbursed to the Fund in full upon receipt of notice of said overpayment. The Fund may make arrangements to ease the financial burden of reimbursing such overpayments. In the event that an overpayment is not reimbursed to the satisfaction of the Board, the Fund may seek to recover the amounts due by exercising all rights available by law.

Deferred Retirement Option Provision (DROP)

Members who retire under one of the disability provisions of the Fund are not eligible to elect the Deferred Retirement Option Provision (DROP) as an optional form of benefit payments.

Non-Assignment of Disability Benefits

Disability benefits are intended for the personal financial security of the Member. They can't be sold, borrowed against, or garnished except as provided for by law. The Fund must honor federal tax liens, bankruptcy orders or liens for child support payments. Disability benefits are not subject to Qualified Domestic Relations Orders.