



Long Term Disability Program Employee Guide

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In partnership with and administered by:

Broadspire®
A CRAWFORD COMPANY

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Disclaimer: Legislation, rules, and policies governing the ASRS are subject to change. If information contained in this Guide differs from laws, rules, and ASRS policy, the ASRS is not bound by this Guide but will comply with Arizona Revised Statutes, rules, and policies. Please refer to our website, www.azasrs.gov, for the most current legislation and rules.

Section 1

The ASRS Long Term Disability Program

The Arizona State Retirement System (ASRS) Long Term Disability (LTD) Program provides a monthly benefit designed to partially replace income lost if you are unable to work during periods of disability resulting from a qualifying illness, injury, or, in some instances, pregnancy.

The LTD Program is provided as a benefit with your membership in the ASRS. The ASRS collects required contributions from employers and employees each pay period and holds those contributions in the LTD Trust Fund, which is designated solely for the purpose of paying LTD benefits and the costs of administering the program.

The ASRS has contracted with Broadspire to administer the LTD program. Broadspire conducts a full review of each LTD claim and determines whether to approve or deny claims.

Please contact Broadspire if you have questions about the program and its administration (see contact information at the end of this Guide).

Section 2

Eligibility Requirements

Public officers and employees who meet ASRS membership criteria make contributions to the pension plan and to the LTD Program. These ASRS members may be eligible for LTD benefit payments.

You are not eligible for the LTD Program if one or more of the following circumstances apply to you:

- Have retired and are receiving monthly pension payments from the ASRS.
 - Withdraw the balance of your ASRS pension account (withdrawing your pension account causes the account to be closed which ends your membership in the ASRS).
 - If you were initially hired by an agency, department, board, or commission of the State of Arizona; a university under the jurisdiction of the Arizona Board of Regents; the judicial branch, the Arizona Corporation Commission, or legislature — on or after July 20, 2011, you will become eligible for the LTD Program upon your 27th week of employment as long as ASRS membership criteria has been met.
 - File an initial claim for LTD benefits more than 12 months after the date of your disability, unless you provide ASRS and Broadspire a good cause for filing late.
 - Have become disabled due to, or as a result of:
 - Intentional self-inflicted illness or injury
 - Illness or injury incurred while you were engaged in a felonious criminal act or enterprise
 - War, whether declared or not
 - Most recent membership in the ASRS LTD Program began before July 1, 2008, and you received medical treatment for an illness or injury within the three months prior to the date your coverage began under the ASRS LTD Program, unless you:
 - Have been an active contributing member of an ASRS-eligible employer for 12 continuous months
 - Were employed by an ASRS-eligible employer before July 1, 1988
- Note: “Received medical treatment,” means you consulted with or received the advice of a licensed medical or dental practitioner, including advice given during a routine examination. It also includes receiving medical or dental care, treatment or services, including taking drugs, medication, insulin, or similar substances.

- Most recent membership in the ASRS LTD Program began on or after July 1, 2008, and you received medical treatment for an illness or injury **within the six months prior** to the date your coverage began under the ASRS LTD Program, unless you:
 - Have been an active contributing member of an ASRS-eligible employer for 12 continuous months.

If you are uncertain whether any of the circumstances above apply to you, please reach out to The Arizona State Retirement System.

The ASRS LTD Program does not provide benefits to Public Safety Personnel Retirement System (PSPRS), Elected Officials' Retirement Plan (EORP), University Optional Retirement Plan (UORP), or Corrections Officer Retirement Plan (CORP) members.

Section 3

Definition of Disability

A disability is determined by “objective medical evidence,” which is defined as evidence that:

- Establishes facts and conditions, as perceived without distortion by personal feelings, prejudices, or interpretations
- Includes x-rays or other medical images, quantitative tests, laboratory findings, data, records, and reports from your “Attending Physician”.

“Attending Physician” means a licensed medical provider who has completed training and clinical experience that is consistent with your diagnosis and who administers a treatment plan in accordance with established medical, research, and rehabilitative organizations.

Based on objective medical evidence from your Attending Physician, under the ASRS LTD program you are considered to have a disability if:

- During the first 30 months of a period of disability (including the six-month elimination period) you are under the care of your Attending Physician and are unable to perform one or more of the duties of the **occupation** you held with an ASRS employer when you developed a disability.
- You have received LTD benefit payments for 24 months within a five-year period, are under the care of your Attending Physician, and are unable to perform any work for which you are reasonably qualified by education, training, or experience and for compensation at an amount greater than or equal to two-thirds of your compensation at the time of disability.

Section 4

Resignation or Termination of Employment

Your employer may ask you to resign or may terminate your employment. Resignation or termination of your employment will not impact your LTD claim or the processing of your LTD claim.

If you are no longer employed when you begin the LTD claim process, you may still be eligible for LTD benefits as long as you were an active contributing member as of the potential date of your disability.

If your LTD claim is approved and you begin receiving LTD benefit payments, you will continue to accrue service credit toward your ASRS retirement.

Section 5

Elimination (Waiting) Period

If your LTD claim is approved, monthly LTD benefit payments will begin after an elimination (waiting) period of six consecutive months from the date of your disability. The date of disability is determined by Broadspire when your claim is reviewed and approved. LTD benefit payments are paid as long as you continue to meet LTD Program criteria.

The six-month elimination period is not interrupted if you:

- Work intermittently while you are on an approved Family and Medical Leave (FMLA)
- Work intermittently while you are on an approved medical leave that is related to the condition causing your disability
- Work a modified job or schedule
- Work in a limited duty capacity. Limited duty means you are able to work in some capacity but are unable to perform one or more of the duties of the occupation you held when you developed a disability and/or you are unable to work a full-time schedule, as advised and substantiated by your Attending Physician.

Section 6

Benefit Payment Amount

The monthly LTD benefit payment is equal to $66^{2/3}$ percent of your monthly compensation as of the date of your disability. Broadspire will determine the monthly LTD benefit payment based on your ASRS contributions and as defined in Arizona Revised Statutes (A.R.S.) § 38-797. Monthly LTD benefit payments will be calculated in accordance with statutes and ASRS policies and procedures.

Reductions in Your Monthly LTD Benefit Payment

You may be eligible to receive LTD benefit payments while receiving other benefit payments, such as Social Security or Workers' Compensation. However, the amount of your LTD benefit will be impacted by any payments you receive from other sources.

If you receive benefit payments from other sources, your monthly LTD benefit payment amount will be reduced as follows:

- 64 percent of the initial benefits you and your family receive from Social Security Disability or the United State Railroad Retirement Act, when paid because of your disability; except if your disability begins on or after July 1, 2008, in which case 85 percent of the initial benefits you and your family receive, because of your disability. This amount does not include:
 - The amount of attorney fees approved by Social Security rules and reasonable documented costs paid to an attorney to secure your Social Security Disability benefit.
 - Any cost-of-living adjustments that are granted after benefits commence.
- 83 percent of the retirement benefits you receive from Social Security or the United States Railroad Retirement Act, except if your disability begins on or after July 1, 2008, in which case 85 percent of the retirement benefits you receive, but not including any cost-of-living adjustments.
- 100 percent of All benefits including sick pay, vacation/annual leave pay, other paid time off (PTO), retirement benefits, unemployment compensation benefits, or disability — provided by any other group insurance contract or benefit arrangement that are financed in whole or in part by your employer. This does not include any retirement benefit that you receive from a state retirement system or plan other than ASRS.

- 100 percent of Workers' Compensation benefits you receive.
- 100 percent of Veteran's disability payments, if the payment is for the same condition or a condition related to the condition currently causing your disability and is due to, or a result of, service in the Armed Forces of the United States.
- 50 percent of any salary, wages, or commissions or other employment-related pay that you receive or are entitled to receive from any gainful employment including self-employment. Any money you receive from employment during your LTD benefit period will be treated as an offset for that period and will not be allocated over multiple benefit periods.

If your disability commences on or after August 2, 2012, your total monthly income from the ASRS LTD Program plus any other income from any of the sources listed above cannot exceed 100 percent of your monthly compensation at the time your disability commences. Your monthly ASRS LTD benefit payment will be offset by the amount necessary to reduce your total monthly income to meet the limit. If the offset is not applied in a timely manner, an overpayment of your monthly ASRS LTD benefit may occur.

If an overpayment of your monthly ASRS LTD benefit payment occurs, Broadspire will require a full refund from you for the amount of the overpayment. In the event that Broadspire does not receive your refund, your regular monthly LTD benefit payment — which would otherwise be payable to you — may be applied to reduce the overpayment until it is repaid in full. If the balance of the overpayment is not satisfied upon termination of your disability claim, the balance of the overpayment will be recovered from any benefit proceeds you may be entitled to receive from ASRS.

If an underpayment of your monthly ASRS LTD benefit payment occurs, Broadspire will promptly pay you the amount necessary to adjust the total payments to the amount that should have been paid under the LTD Program.

Applying for Other Benefits

Once you are approved to begin receiving ASRS LTD monthly benefit payments, Broadspire may request that you take steps to apply for some of the benefits and payments described above. Because you may be eligible for other benefits, your LTD benefit payment is subject to the required offsets for those benefits even if you have not received or been paid for those other benefits.

Specifically for Social Security:

For primary and dependent Social Security benefits, you are considered eligible for Social Security benefits until the benefits are actually awarded, or **until you complete the Social Security appeals process through a hearing before a Social Security administrative law judge**, or until Broadspire determines that you are not eligible for those benefits.

To prevent your ASRS LTD benefit payments from being suspended or terminated, Broadspire may request documentation related to the Social Security application and appeals process, including the application receipt and all denial letters from Social Security.

When a Social Security benefit has been awarded to you or denied, you must notify Broadspire immediately. Social Security benefit payments will be used to offset your monthly LTD benefit payment for any months in which you were entitled to both Social Security benefit payments and ASRS LTD benefit payments.

If your application for Social Security benefits has been denied, you are required to file an appeal with Social Security and continue the appeals process until you have been denied in a hearing before a Social Security administrative law judge. If you have not satisfied the Social Security appeals process through the administrative law judge and your Social Security disability claim is closed for any reason, an estimated overpayment will be created and the balance of the overpayment will be recovered from any benefit proceeds you may be entitled to receive from the ASRS.

Specifically for Other Benefit Sources:

For benefits and payments from any other source listed above, Broadspire will consider you eligible for these other benefit payments if it is reasonable to believe that the benefits will be paid upon proper completion of the claim or would have been paid except for your failure to pursue the claim in a timely manner.

Minimum ASRS LTD Benefit Payment

If your ASRS LTD claim is approved, a minimum monthly LTD benefit payment amount of \$50 may be payable to you, as long as your total monthly income from the LTD program and the other income sources listed above does not exceed 100 percent of your monthly compensation at the time your disability commences.

The minimum payment is a plan design and is set by legislation. The plan sets a minimum amount payable to the member. If you are eligible for the \$50 minimum monthly LTD benefit payment and an overpayment occurs or other program criteria are not met, this minimum benefit will not be paid to you, but will instead either be applied to reduce the overpayment until it is reduced to zero or be reduced to meet other program limits.

Section 7

Federal and State Tax Withholding

Fifty percent of your monthly ASRS LTD benefit payment is considered taxable income and is subject to applicable federal and state tax laws. Broadspire will withhold legally required federal taxes from the appropriate percentage of your adjusted gross monthly LTD benefit payment.

You are required to complete an I.R.S. Form W-4 indicating your federal withholding allowances.

Your ASRS LTD benefit payment is also subject to state income tax. Broadspire will request and process a Form A-4 for Arizona state taxes only.

Broadspire will mail you a Form W-2 at the end of each year reflecting the total federal and state taxes withheld from your LTD benefit payments for the applicable calendar year.

Section 8

Duration of LTD Benefit Payments

Benefits are payable after the elimination (waiting) period and for the remainder of your period of disability, except that benefits will not be payable beyond:

- The date you no longer have a disability.
- The date you are no longer under the “direct care” of a doctor. “Direct care” means you are actively receiving treatment from a provider for your disability at least once per calendar year.
- The date you refuse to undergo a medical examination or refuse to participate in any work rehabilitation program for which you are reasonably qualified by education, training, or experience as requested by Broadspire.
- The date you fail to provide information, data, paperwork, or other documentation as requested by the ASRS or Broadspire. If, at some point, you do provide the requested information, Broadspire will retroactively reinstate your LTD benefit payments for which you are entitled.
- The effective date of your retirement benefits under the ASRS.
- The date you withdraw your employee contributions and cease to be an ASRS member.
- The later of the following:
 - Your “normal retirement date (If you have a membership date prior to July 1, 2011, “normal retirement” is defined for you as the earliest of a) age 62 and 10 years of credited service; b) age 65; or c) your age plus years of credited service equals 80. If you have a membership date on or after July 1, 2011, “normal retirement” is defined as the earliest of a) age 62 and 10 years of credited service; b) age 65; c) age 60 and 25 years of credited service; or d) age 55 and 30 years of credited service.
 - The month following 60 months of payments if your disability occurs before age 65.
 - The month after you reach age 70 if your disability occurs at age 65 but before age 69.
 - The month following 12 months of payments if your disability occurs at or after age 69.

If you are convicted of a criminal offense and sentenced to more than six months in jail, prison, or other penal institution, LTD benefit payments will cease the month following 30 days of continuous confinement and will continue to be suspended for the remainder of your confinement.

In addition to a monthly benefit, an LTD member is entitled to receive ASRS service credit from the time disability commences until the member's normal retirement date. A member who receives monthly benefits on or after June 30, 1999, cannot receive the greater of thirty (30) years or the total years of service credited to the member's retirement account on the commencement of disability.

Section 9

Recurring Disability

If you have satisfied the elimination (waiting) period and return to work with an ASRS employer, but later develop a disability for the same or a related cause, you may not have to satisfy a new elimination (waiting) period. LTD benefit payments will resume without a new elimination period as long as you returned to work on a full-time basis with the ASRS employer for less than six consecutive months when your disability recurred or you developed a related disability.

A new disability for a different and entirely unrelated cause following at least one day of full-time work with the participating employer will require a new elimination period before any additional benefits would be payable.

Section 10

ASRS Health Insurance Program Eligibility

If you are receiving an ASRS LTD benefit payment, you are eligible for coverage under the ASRS Retiree Group Health Insurance Program. If you become ineligible for ongoing LTD benefit payments, you may continue ASRS Retiree Group Health Insurance for yourself and your eligible dependents, subject to the following conditions:

- Participation in the coverage is limited to twelve months from the date the member ceases eligibility for LTD benefits or the member commences employment, whichever occurs first.
- The member shall pay the full premium cost of the coverage selected, and the member is not eligible for Premium Benefit.
- If a member who participates in the coverage dies during the twelve-month period their covered dependents may continue coverage after the death of the member through the end of the twelve-month period. Covered dependents of the member who continue coverage and pay the full premium cost of the coverage selected and are not eligible for Premium Benefit.

If you have at least five years of credited service and receive your group health insurance coverage through an ASRS employer or through the ASRS Retiree Group Health Insurance Program, you may also be eligible for a premium benefit to supplement the cost of your insurance premiums. The premium benefit will end on the date you become ineligible for ongoing LTD benefit premiums and you will be financially responsible for the full amount of the insurance premiums.

Contact your employer or the ASRS Member Services Division for information regarding the ASRS Retiree Group Health Insurance Program and premium benefit.

Section 11

How to File a Claim for LTD Benefits

You should file your claim as soon as you know you will have a period of disability for at least six consecutive months. The earlier you file your claim the more likely it will be that Broadspire can complete all of the necessary review steps, including gathering additional information, and provide you with a decision on or before the date that benefits would be payable to you.

If you have not yet received the Employee LTD Claim Packet from your Human Resources, Benefits, or Payroll department, please contact your Employer.

The Employee LTD Claim Packet includes the following items:

Long Term Disability Employee Claim Statement – You complete this form to provide Broadspire with information about your disability, sources of income, ability to perform work, and ability to participate in vocational rehabilitation.

Authorization to Release, Share, and Use Medical and Sensitive Information – You complete this form providing your authorization to healthcare providers and facilities to release medical information about you to Broadspire and other entities as part of the claim review and approval process. Claims cannot be approved without appropriate supporting medical documentation.

IRS W-4 Employee's Withholding Certificate - You complete this form indicating the amount of federal tax withholding you want deducted from your monthly LTD benefit payment. Fifty percent of your LTD benefit payment is taxable. If the W-4 is left blank or not received, Broadspire will withhold federal taxes based on a "single with one exemption" rate.

A-4 Employee's Arizona Withholding Election – You complete this form indicating the amount of state tax withholding you want deducted from your monthly LTD benefit payment. Fifty percent of your LTD benefit payment is taxable. If the A-4 form is left blank or not received, Broadspire will withhold Arizona income tax at the highest tax rate.

Employee Direct Deposit Authorization – You complete this form to authorize Broadspire to electronically deposit your monthly LTD benefit payments directly into your bank account.

Employee Reimbursement Agreement – You complete this form to indicate your understanding that in the event you are overpaid by Broadspire you will refund or repay Broadspire for any overpayment amount.

Attending Physician's Statement of Patient Disability – Your Attending Physician completes this form to provide medical substantiation of your disability. The completed form should be returned to you rather than mailed to Broadspire or ASRS.

ASRS LTD Program Frequently Asked Questions – A list of frequently asked questions you can keep for your files.

Complete each form as instructed and return the claim packet to your Employer. You may submit your completed forms to your Employer even if you are still waiting for your Attending Physician to complete and return to you the Attending Physician's Statement of Patient Disability form. Provide the Attending Physician's Statement to your Employer as soon as you receive it from your healthcare provider. Your Employer will submit your claim packet to Broadspire.

A decision regarding your claim will be made promptly after Broadspire receives your claim packet, requests and receives any additional documentation, and reviews the information. Broadspire may request that you be examined by an independent physician of its choice at no cost to you and may also make any other investigation deemed necessary to determine benefits that may be payable under the program.

Once you have been approved to receive monthly LTD benefit payments, you are required by Arizona law to be under the "direct care" of a doctor in order for monthly benefit payments to continue. "Direct care" is defined as you actively receiving treatment from a provider for your disability at least once per calendar year.

In order to verify that you continue to have a disability and continue to be under the care of a doctor, a supplemental statement form completed by your provider will be required as deemed necessary by Broadspire. Any cost associated with the completion of this form will be your responsibility. Broadspire will advise you when additional medical or other evidence is necessary to determine if monthly LTD benefit payments will continue.

The ASRS may authorize Broadspire or a third party to conduct an investigation to examine any statement or evidence provided to determine the continued eligibility of LTD benefits if the ASRS or Broadspire receives information that indicates the possibility of falsified records or information related to your LTD Program eligibility or benefits.

Section 12

How to File an Appeal

If your claim is denied in whole or in part, Broadspire will provide you with a written notice that includes:

- The specific reason or reasons your claim was denied.
- A description of, as well as the reason for, any additional documentation or information that may be necessary to make a decision on an appeal of the claim.
- An explanation of the LTD Program's claim appeal procedure.

If you disagree with Broadspire's determination of your claim, you have the right to request a review of the decision:

- Within 60 days after you receive **written** notice of the initial determination on your claim, you must file a **written** request for a review of your claim and the determination.
- Your written request should include any additional facts and documentation that will support your claim.
- For your assistance, you may:
 - Request copies of the Arizona LTD Program statutes
 - Request further explanation of the ASRS LTD Program provisions and the reason for the initial determination
- Your written request for review must be mailed to:

Broadspire
PO Box 14773
Lexington, KY 40512

If you have any questions regarding the ASRS LTD Program, you may contact Broadspire at (877)232-0596 and speak with a Call Center Representative 24 hours a day, 7 days a week.