

MEMORANDUM

TO: PERSONNEL MANAGEMENT LIAISONS      DATE: December 6, 1995  
REFERENCE CODE: 95-054  
Supersedes PMLs 94-15 and 94-30

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Personnel Officers, Agency Rule Coordinators,  
Worker's Compensation & Return-to-Work Coordinators

FROM: Department of Personnel Administration  
Benefits and Training Division

SUBJECT: Changes in the State Employee Placement (NextSTEP) Program (previously known as the Industrial Disability Retirement Plus (IDR+) Program)

CONTACT: Gail Heuer, NextSTEP Program Manager  
(916) 322-4753, CALNET 492-4753  
Office Vision: DPA (GPHEUER)  
Internet: GPHEUER@SMTP.DPA.CA.GOV

ELIGIBILITY FOR PARTICIPATION IN THE NextSTEP PROGRAM

Pursuant to Government Code Sections 19876.5, 19998.1, 20038.5, 20038.6, 21020.5, 21020.6, 21021.5, 21100.55, 21292.4, 21292.6 and Labor Code Section 139.5(g), an employee in Bargaining Units 1, 4, 15, 18 and 20 who suffers a qualifying industrial injury or illness on or after January 1, 1993 and who is permanently unable to perform the duties of his/her current position is eligible to participate in this program. If the employee is a State Miscellaneous Member or a State Industrial Member, the injury or illness must occur as a result of a violent act by a patient or inmate while performing duties at (1) Patton State Hospital, Atascadero State Hospital, the psychiatric program at the California Medical Facility at Vacaville, or other forensic facility; (2) a State prison or facility of the Department of Corrections, or correctional school or facility of the Youth Authority; or (3) elsewhere while acting in the scope of employment which regularly and substantially involves contact with patients and clients of a forensic facility or inmates or parolees. For State Safety Retirement Members, the injury or illness may occur as the result of any employment activity.

THE BENEFIT OF PARTICIPATING IN THE NextSTEP PROGRAM

The goal of the NextSTEP Program is to return the injured worker to state service. Benefits for qualified industrially disabled employees are increased by (1) putting stronger emphasis on the continuing employment of disabled employees, (2) awarding tax-free supplemental disability pay called Partial Disability Retirement Payments (PDRP) to employees who are placed in lower salaried



positions due to medical restrictions, and (3) providing a maximum NextSTEP retirement allowance of 60% (an increase over the 50% maximum allowed under Industrial Disability Retirement) for those employees who are totally disabled from performing any job in state service or those employees that are not able to be returned to a job in state service for administrative reasons as determined by DPA. Retirement should be seen as the last resort.

In an effort to return a qualified employee to state service, an employee will not be limited to jobs within his/her current classification and department. The employee may be offered any job in State service as long as the employee (1) has the job skills, knowledge and abilities for the new position or has the potential to be trained to adequately perform in the new position, and (2) is not medically precluded from performing the duties of the new position.

#### PARTIAL DISABILITY RETIREMENT PROGRAM (PDRP)

If a qualified employee is unable to perform his/her current job but is able to work in some other job, the department employing the injured worker at the time of injury (called the originating department), will make every effort to assist the employee in finding an appropriate position in state service. This position could be in the current department or in another department, and could be in any classification to which the employee is eligible to transfer. If the employee is transferred to a new position which has a salary less than his/her current salary, he/she will be eligible for supplemental payments. These payments, when added to the new salary, will make the gross monthly income the same as the base salary on the date of the injury plus any merit salary adjustments that would have been received prior to the new appointment had he/she continued working without injury. The PDRP benefit payments will be tax-free and will be sent to the employee separately from the regular paycheck. These payments will continue until the salary of the new position (or any position to which the employee is subsequently transferred or promoted) equals or exceeds the salary the employee was receiving at the time of injury.

#### LOCATING AN APPROPRIATE NEW POSITION

The originating department will assist the employee in locating an appropriate position as soon as the medical records reflect it is likely that the employee will be unable to return to his/her usual and customary occupation. The originating department will provide this assistance for a minimum of ninety (90) days. During that time, it is the employee's responsibility to look for vacant positions to which he/she might transfer and be ready to interview for any positions to which referrals are made. The employee will not be required to relocate, but may volunteer to do so. If the employee relocates, the originating department (not the hiring department) will pay the employee's relocation expenses in accordance with the employee's bargaining contract.



The employee will need to submit a completed State application to the originating department representative as soon as it is apparent that he/she is a qualified injured worker (QIW). This can occur either when a medical expert declares the employee to be QIW or when, in the experienced opinion of the department representative, it is clear that the injured worker can not return to his/her usual and customary work. To help locate an appropriate position for the injured worker, the originating department may send the injured worker to a rehabilitation facility or vocational rehabilitation (VR)counselor to determine what types of employment in state service that the employee can perform given the specific medical limitations. When either the employee or the department find appropriate vacancies, an application will need to be submitted to the hiring manager and the injured worker must attend the interviews.

#### STATE RESTRICTION OF APPOINTMENT (SROA) LISTS

One of the tools used to return injured workers to state service is the State Restriction of Appointment (SROA) List. The Return-to-Work Coordinator or a Vocational Rehabilitation (VR) counselor assigned by State Compensation Insurance Fund may be available to advise the injured worker which job classifications are appropriate. The injured worker is restricted to job classifications with a salary not to exceed the salary received at the time of injury plus 9.9%. Job classifications with salaries less than the employee's salary at the time of injury will be considered as supplemental payments are available through PDRP. Care should be taken to determine that the injured worker meets the minimum qualifications of education, licensing or legal requirements listed for the class as cited in PML 95-41. The minimum qualifications regarding "experience" may be waived.

NextSTEP participants do not have the option of waiving appropriate job interviews or offers within their geographical area, however they may decline a job interview or offer for a job outside of the radius of their previous commute or 35 miles from their residence whichever is greater, without penalty. If a job interview or offer is not accepted, the NextSTEP benefits will be terminated effective the date the job interview or offer is made. PML 95-41 outlines the procedures for placing the names of injured workers in the SROA process.

Departments contacting NextSTEP participants on the SROA list have a responsibility to report the outcome of all such contacts to the Department of Personnel Administration, Benefits Division, NextSTEP Program Manager.

#### VOCATIONAL REHABILITATION

Either prior to or during this initial three month job search, the skills, experience, aptitudes, abilities and potential of the injured worker will be assessed through the vocational rehabilitation process to assist the injured worker, department



representative and the VR in choosing a new career path. A VR counselor may be assigned to help the injured worker prepare applications, resumes and practice his/her interviewing skills. In some cases, training to assist the injured worker in gaining skills for a return to state service may be started. The goal of any vocational rehabilitation program offered will be a return to state service.

#### WHEN TO FILE A NextSTEP APPLICATION

During this period, it is usually in the best interests of the injured worker to file a completed application for NextSTEP with the Department of Personnel Administration (DPA). An application can be obtained directly from the Department of Personnel Administration, Benefits Division, NextSTEP Program Manager, 1515 S Street, North Bldg., Suite 400, Sacramento, CA 95814 or from the originating department representative.

#### JOB OFFERS, JOB INTERVIEWS AND VOCATIONAL REHABILITATION

If the injured worker is offered a job with a maximum salary which is at least 85% of his/her current classification's maximum salary and is located within the same or similar geographic area, the employee will not be eligible for formal vocational rehabilitation. The job offer will be considered the employee's vocational rehabilitation plan.

If the employee is offered a job with a maximum salary less than 85% of the employee's salary at the date of injury he/she may either: (1) take the job and receive PDRP payments bringing the amount up to the old salary; or (2) refuse the job, retaining the right to formal vocational rehabilitation, but lose eligibility to the NextSTEP program. If the employee elects formal vocational rehabilitation, but after this service change his/her mind and request placement in the lower-salaried position, the employee will not be eligible for the PDRP payments.

If the employee refuses a job offer or interview for a job outside of the radius of his/her previous commute or the usual commute pattern for residents in the area of residence or 35 miles from his/her residence whichever is greater, there is no penalty. The employee still maintains eligibility for the NextSTEP program and vocational rehabilitation. However, if the employee refuses a job offer or interview for a job that is within the same or similar geographic area, eligibility for the NextSTEP program and vocational rehabilitation will be lost.

If the originating department is unable to locate an appropriate position for the employee after three months of searching, the department will assist the employee in obtaining formal vocational rehabilitation and help the employee to file a NextSTEP retirement application with DPA. While the NextSTEP application is being processed for retirement, the department and the employee will continue the search for an appropriate position within State



service. If a position is located and offered to the employee, prior to approval of the NextSTEP retirement, both the formal vocational rehabilitation services and the NextSTEP application will be cancelled. If, however, an appropriate position is not located and DPA approves the employee's NextSTEP retirement, the employee will be required to reinstate from retirement if an appropriate vacancy is located within one year after the approval. If the salary of the new position is less than the employee's salary at the time of injury, the employee will be eligible for the PDRP option.

#### RETIREMENT OPTIONS

If the employee is unable to perform any job in State service, the originating department will file an application for NextSTEP retirement with DPA on the employee's behalf and request in writing that the employee be screened for the fast track. The fast track option eliminates the need for the department to perform a job search and the employee is relieved of the obligation to mandatorily re-instate within the first year of retirement. The department representative must contact DPA, NextSTEP Program Manager, to discuss the details of fast tracking.

If the employee is able to work in some other job in State service, but does not wish to return to work, he/she may apply for service retirement or ordinary disability retirement if the employee is vested with PERS. The employee should contact PERS to determine which retirement option would be best. The employee may also voluntarily separate from State service for medical reasons. At any time after retirement or separation, the employee may reinstate to his/her former classification, if the limiting medical condition no longer exists. Such reinstatement must be initiated through PERS.

#### NextSTEP RETIREMENT ALLOWANCE

If the employee is a member of Bargaining Unit 1, 4, 15, 18, or 20 and entered his/her current PERS membership category (safety, miscellaneous, industrial) before January 1, 1980, or if, the employee became industrially disabled as a result of a violent act, he/she may be eligible for a maximum of:

- 1) 60% of the final compensation plus an annuity purchased with accumulated additional PERS' contribution,
- or,
- 2) If qualified for service retirement, the amount of the service retirement minus the amount of the annuity, up to a maximum of 80% of final compensation.

Miscellaneous or industrial members are only eligible for the NextSTEP program if the injury was sustained as a result of a violent act by a patient, client, inmate, or parolee; therefore, they will always be entitled to 60% of their final compensation for NextSTEP purposes.



Safety members, whose PERS' membership commenced after January 1, 1980 may be limited to the service retirement allowance that would be payable if they had continued service to age 55 (Government Code Section 21292.6). This limitation does not apply to safety members whose disability resulted from an injury which was a direct consequence of a violent act or that occurred during the performance of those portions of his/her duties which are particularly hazardous and dangerous (Government Code Section 21292.6)


The NextSTEP retirement allowance is tax-free. The amount of this allowance will be determine by PERS.

#### APPEALS

The injured worker may appeal to DPA if he/she believes either (1) that he/she should not be required to participate in this program, or (2) that he/she should not be excluded from this program. To appeal, the employee must submit the protest in writing stating sufficient facts for DPA to understand the reasons for the protest. The protest must be filed within thirty (30) days of the date the employee's department notifies you in writing that either you must participate in this program or you are excluded from this program. The protest must be addressed to:

David J. Tirapelle, Director  
Department of Personnel Administration  
1515 S Street, Suite 400, North Building  
Sacramento, CA 95814

If the employee has complaints about any other part of the process, he/she must follow the complaint procedures applicable to his/her collective bargaining unit and originating department.



Patricia Pavone, Chief  
Benefits and Training Division

Attachments

Eligibility for NextSTEP Program

ELIGIBILITY FOR THE <i>Next</i> STEP PROGRAM			
	PERS MEMBERSHIP CATEGORY		
	SAFETY	INDUSTRIAL	MISCELLANEOUS
<b>THRESHOLD CRITERIA:</b>			
Member of PERS	X	X	X
BU 1,4,15,18 and 20	X	X	X
Injury or illness on or after January 1, 1993	X	X	X
The injury or illness occurs as a result of employment	X	X	X
If DMH, result of a violent act by a patient or client while performing duties at forensic facility.			X
If CDC, result of violent act by an inmate or parolee at state prison or facility of CDC or elsewhere while acting in the scope of employment which involves contact with inmates or parolees.		X	X
If CYA, result of violent act by an inmate or parolee at a correctional school or facility of CYA, or elsewhere while acting in the scope of employment which involves contact with inmates or parolees.		X	X
<b>CONTINUING ELIGIBILITY</b>			
QIW	X	X	X



# APPLICATION FOR *NextSTEP* RETIREMENT

**Department of Personnel Administration**  
***NextSTEP* Program Manager**  
**Benefits Division**  
 1515 S Street, North Bldg. Suite 400  
 Sacramento, CA 95814

212 92.6 _____
Approved/Denied _____
Effective Date _____
<b>FOR DPA USE ONLY</b>

**INFORMATION:** This application can be used by a member or an employer to apply for a member's *NextSTEP* retirement and should be mailed directly to DPA along with a completed Survivor Continuance Questionnaire, (PERS-BAS-54) form. If a member qualifies for Service Retirement, he/she may also request Service Pending Disability Retirement. Your retirement date cannot be earlier than the first of the month in which your application is received by DPA.

**PLEASE TYPE OR PRINT.**

		Bargaining Unit	PERS Membership Category
1. I hereby make application for <input type="checkbox"/> Disability Retirement <input type="checkbox"/> <i>NextSTEP</i> Retirement <input type="checkbox"/> Service Pending Disability Retirement			<b>For CalPERS USE ONLY</b> 2. Employer Application <input type="checkbox"/>
3. Social Security Number	4. Name	5. Birth Date / /	6. Retirement Effective Date OR Expiration of Benefits / /
7. Mailing Address (Street, Avenue, Road, P.O. Box, etc.)		City	State     ZIP
8. Telephone Number Home     Work ( )     ( )		9. Last Day on Pay Status / /	10. Employer
11. Position Title (Do Not Abbreviate)			
Please calculate my options with the following beneficiary information (Note: This is NOT a beneficiary designation):			
12. Name of Beneficiary		Beneficiary Birth Date / /	Sex     Male <input type="checkbox"/> Female <input type="checkbox"/>
Relationship			
<b>Survivor Information</b>			
13. Are you married? <input type="checkbox"/> Yes (Date of Marriage / / ) <input type="checkbox"/> No		Do you have children under 18? <input type="checkbox"/> Yes <input type="checkbox"/> No	
If you filed a Workers' Compensation Claim, please provide the following information:			
14. Workers' Compensation Carrier	Name of adjuster	Telephone Number ( )	Claim Number
		Date of Injury / /	
Address		City	State     ZIP
If you are a member of another retirement system, other than Social Security or military, please complete the following:			
15. Name of Reciprocal System		Dates of Service Credited / / - / /	Date of Retirement / /

What is your specific disability and when and how did it occur?

Was your injury caused by a third party? (Subrogation)  Yes  No

Name of Treating Physician

Address of Treating Physician (Address, City, State & ZIP)

**FINAL COMPENSATION TO BE USED:** "Final Compensation" is the highest compensation earnable by you during one year or a three consecutive year period of employment, whichever your agency has contracted for, immediately preceding the effective date of your retirement, or the date of your last separation from employment, if earlier, or during any other period specified by you on this application. Unless a different period is specified by you, your final compensation will be calculated based upon the one year or three year consecutive year period immediately preceding your retirement or separation.

Other period to be used: From \_\_\_ / \_\_\_ / \_\_\_ To \_\_\_ / \_\_\_ / \_\_\_

I HEREBY CERTIFY UNDER PENALTY OF PERJURY that this information submitted herein is true and correct according to the best of my knowledge. I UNDERSTAND THAT TO CANCEL THIS APPLICATION I MUST SUBMIT WRITTEN NOTICE TO THE PERS SYSTEM PRIOR TO THE MAILING OF MY FIRST RETIREMENT ALLOWANCE. I further understand that the beneficiary named above is not an official designation of beneficiary. This will be done on the election of optional settlement and beneficiary designation form (BAS-898) which will be provided at a later date.

IF THE MEMBER IS SUBMITTING THIS APPLICATION:

Member's Signature

Date Signed

/ /

IF THE EMPLOYER IS SUBMITTING THIS APPLICATION, THE AGENCY MUST COMPLETE THE FOLLOWING:

Printed Name of Authorized Signature for Agency

Title

Employer's Signature

Date Signed

/ /

Telephone Number

( )