



Virginia Retirement System



Virginia Sickness and Disability Program

Handbook for State Employees in the Virginia Retirement System, State Police Officers' Retirement System and Virginia Law Officers' Retirement System

VRS
Plan 1&2



PROVIDING INFORMATION ABOUT YOUR...

- sick, family and personal leave
- disability coverage
- long-term care benefits
- resources



Virginia Sickness and Disability Program (VSDP)

Handbook for State Employees in Plan 1 and Plan 2

The Virginia Sickness and Disability Program (VSDP) provides income protection if you can't work because of a non-work related or work-related illness or injury.* The Virginia Retirement System (VRS) administers VSDP in conjunction with Unum, the third-party administrator for the program.

CONTACT UNUM

www.unum.com/claimant • 1-800-652-5602

Mailing Address: Unum, The Benefits Center,
P.O. Box 100158, Columbia, SC 292022

CONTACT VRS

www.varetire.org • 1-888-VARETIR (1-888-827-3847)
TDD: 804-344-3190

Mailing Address: Virginia Retirement System,
P.O. Box 2500, Richmond, VA 23218-2500

Email: vrs@varetire.org

Important email notice: Do not send personal or confidential information, such as your Social Security number, by email. VRS will send only non-confidential replies.

Note: The information contained in this handbook is governed by Title 51.1 of the *Code of Virginia*. This information is intended to be general. It cannot be complete in all details and cannot supersede or restrict the authority granted by the *Code of Virginia*, which may be amended from time to time.

* You are not eligible for VSDP if you are an employee of a school division or a political subdivision, a member of the Judicial Retirement System (JRS) or a state employee hired before January 1, 1999 who did not elect to transfer to VSDP. You are eligible to be considered for VRS disability retirement if you have a disability that is likely to be permanent. For more information, see the VRS *Disability Retirement Handbook for Members* available on the VRS Web site at www.varetire.org.



Member Resources

Benefit Information and Planning Resources

- VRS Web site at www.varetire.org providing benefit information, forms and publications, including the *Virginia Sickness and Disability Program Handbook for State Employees*
- Walk-in counseling is available on a first-come first-served basis with limited scheduled appointments available. Counseling hours are 8:30 a.m.-4 p.m., Monday through Friday. See www.varetire.org for directions to VRS.
- Questions? Contact your human resource office or call toll free at 1-888-VARETIR (1-888-827-3847).

Key Contacts

- Anthem Blue Cross/Blue Shield: 1-800-552-2682; www.anthem.com/cova
- Commonwealth of Virginia 457 Deferred Compensation Plan: 1-VRS-DC-PLAN1 (1-877-327-5261); www.varetire.org (select the Defined Contribution Plans tab)
- Commonwealth of Virginia (COV) Voluntary Group Long Term Care Insurance Program: Genworth Life, 1-866-859-6060; www.genworth.com/cov
- Federal Public Safety Officers' Benefit Act: Bureau of Justice Assistance toll free at 1-888-744-6513 or www.ojp.usdoj.gov/BJA
- Group Life Insurance Program: Minnesota Life, 1-800-441-2258
- Social Security Administration: 1-800-772-1213; www.ssa.gov
- Virginia Department of Human Resource Management: www.dhrm.virginia.gov
- Virginia Line of Duty Act: Virginia Department of Accounts at 804-225-3038 or www.doa.virginia.gov
- Virginia Sickness and Disability Program (VSDP): Unum, 1-800-652-5602; www.unum.com/claimant
- VSDP Long-Term Care Plan: Long Term Care Group, Inc., 1-800-761-4057
- Virginia Workers' Compensation Commission: 1-877-664-2566; www.wvc.state.va.us

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1 Introduction to VSDP

Income Protection if You Can't Work • Eligibility • When Coverage Begins • When the VSDP Benefit Ends • Returning to Work • Your Responsibilities • What to do if I...?

Income Protection if You Can't Work

What is a Disability? –

Under VSDP, a disability is a condition that prevents you from performing the full duties of your job for a short or extended period of time. The disability may be non-work related or work-related. A work-related disability is the result of an occupational illness or injury that occurs on the job and the cause is determined to be compensable under the Virginia Workers' Compensation Act.

VSDP covers partial and total disabilities. If you have a partial disability, you have the capacity to perform some work, such as working part time in your current job or in a different position. If you have a total disability, you cannot work at all.

The Virginia Sickness and Disability Program (VSDP) provides income protection if you can't work because of a non-work related or work-related illness, injury or other condition, such as surgery, pregnancy, complications from pregnancy or a catastrophic or major chronic condition. VSDP benefits include:

- Sick leave
- Family and personal leave
- Short-term and long-term disability coverage
- Long-term care coverage
- Transitional, medical rehabilitation and vocational rehabilitation plans to help you return to work if you are able
- Free advocacy services to assist you in applying for Social Security Disability Insurance benefits

The Department of Human Resource Management (DHRM) administers the personnel leave policies of the Commonwealth of Virginia. Your supervisor approves your requests for sick leave and family and personal leave and assists in coordinating your disability benefits.

The Virginia Retirement System (VRS) has overall responsibility for VSDP. This includes managing the trust fund to provide for long-term disability benefits and overseeing the administration of VSDP claims. VRS has contracted with Unum as the third-party administrator for VSDP.

Eligibility

You are eligible for VSDP coverage if you are:

- A full-time or part-time classified state employee covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS) or the Virginia Law Officers' Retirement System (VaLORS); or
- A faculty member of a Virginia public college or university who has elected the VRS defined benefit plan. You may elect to participate in VSDP or a disability program offered by your institution.

Classified salaried state employees and salaried faculty covered under the provisions of Plan 1 and Plan 2 are eligible for VSDP coverage. You are in Plan 1 if your membership date is before July 1, 2010. You are in Plan 2 if your membership date is July 1, 2010 or later. For more information about the plans, visit www.varetire.org, review the current *Handbook for Members* for Plan 1 or Plan 2 or contact your human resource office.

The following employees are not eligible for VSDP:

- State employees hired before January 1, 1999 who did not elect VSDP during one of two open enrollment periods offered in 1999 and 2002
- Employees in non-covered positions with VRS-participating employers, such as part-time wage or temporary positions
- Employees on leave without pay
- Members of the Judicial Retirement System (JRS)
- Teachers and administrative school employees, including school managers and clerical employees
- Political subdivision employees, including school maintenance, janitorial and cafeteria employees and school bus drivers
- Employees in the Optional Retirement Plan for Higher Education, Optional Retirement Plan for Political Appointees and Optional Retirement Plan for School Superintendents
- Virginia Port Authority employees who are not members of VRS
- Certain employees of the Department of the Blind and Vision Impaired
- Former employees of the Virginia Department of Health who transferred to local governments
- Employees of the Medical College of Virginia Hospitals Authority and the University of Virginia Medical Center

If You are a New Faculty

Member – If you elected the VRS defined benefit plan as your retirement plan, you will be enrolled automatically in VSDP. If you wish to be covered under a disability program offered by your institution, you must submit the College and University Opt-Out Form (VSDP-2) to your human resource office to opt out of VSDP coverage. The form is available at www.varetire.org. For more information, contact your human resource office.

Not Eligible for VSDP? –

If you have a medical condition that prevents you from working and is likely to be permanent, you may be eligible to retire on disability under VRS. For more information, review the VRS *Disability Retirement Handbook for Members* available at www.varetire.org. If you are unsure of your disability coverage, contact your human resource office.

When Coverage Begins

Eligibility periods for some VSDP coverage vary depending on when you were hired or rehired in a VSDP-covered position, as shown in the following table:



	If you were hired before July 1, 2009, coverage begins...	If you were hired or rehired on or after July 1, 2009, coverage begins...
Sick, family and personal leave	Upon employment	Upon employment
Non-work related disability coverage	Upon employment	After one year of continuous employment*
Work-related disability coverage	Upon employment	Upon employment
Income replacement levels	100% upon employment (reduces to 80% and then 60%), plus eligibility for an adjustment for catastrophic conditions as determined by Unum	60% during the first five years of employment, plus eligibility for an adjustment for catastrophic conditions as determined by Unum
VSDP Long-Term Care Plan	Upon employment	Upon employment

** If you would like to purchase an individual policy for non-work related disability coverage during your first year of employment, see the Fringe Benefits Management Company's Web site at www.fbmc-benefits.com/VaProviderNetwork/index.asp for a list of companies approved to handle payment deductions for state employees. The Commonwealth does not endorse any of these companies.*

When the VSDP Benefit Ends

Your disability benefit ends when:

- You are able to perform the full duties of your job without restrictions.
- You leave covered employment and take a refund of your member contributions and interest in your member contribution account.
- You apply for service retirement or reach your normal retirement age. For more information about your retirement provisions, visit www.varetire.org or review the current *Handbook for Members* for Plan 1 or Plan 2.
- You do not cooperate or comply with the requirements of VSDP.

Returning to Work

VSDP focuses on assisting you with a safe return to employment if you are able. Unum, the third-party administrator for VSDP, will work with you, your licensed treating healthcare professional and your employer to develop a transitional plan or a medical or vocational rehabilitation plan tailored to the activities you can safely perform, such as sitting, standing, walking or driving and how many pounds you can lift or carry. Each agency has specific policies and procedures regarding return-to-work programs and the maximum length of time temporary accommodations may be offered to employees. For more information, contact your human resource office.

Transitional Plan

A transitional plan helps you return to your full duties gradually. Examples include working part time or helping out in another position on a temporary basis until you are fully recovered. Unum, in consultation with your licensed treating healthcare professional, may help design a transitional plan, which your employer must approve. While working on a transitional basis, you will continue to receive your VSDP benefit. The benefit amount will be reduced by any income you receive for the hours you are able to work.

On-Site Medical or Vocational Rehabilitation Plan

Depending on the long-term impact of your disability, a vocational rehabilitation counselor may work with you to develop a formal medical or vocational rehabilitation plan at your work site. The plan will take into account your physical and cognitive abilities, educational background, skills, work history, pre-disability income or wages, interests and aptitudes. *Examples:*

- Your work area may be modified to accommodate your return to work.
- You may be able to work in a different position with the same or a different agency (you will receive training to qualify for the position, if applicable).
- You may need to accept a position outside state employment.

The counselor will work with you and your licensed treating healthcare professional to attempt to find you other employment if you can return to work.

In the Event of Your Death

– In the event of your death while you are on disability, your VSDP benefit will not continue to a beneficiary or survivor. However, your named beneficiary or your spouse, natural or legally adopted minor child or parent may be eligible for a VRS death-in-service benefit or a payment of any contributions remaining in your member contribution account. For more information, visit www.varetire.org or review the current *Handbook for Members* for Plan 1 or Plan 2.

Therapeutic Treatment

Plans – Physical therapy and other therapeutic treatment plans are considered part of your treatment regimen. They are not the same as a transitional, medical or vocational rehabilitation plan.

Your Responsibilities

Along with your employer and VRS, you play an important role in ensuring you receive the benefits to which you are entitled in a timely manner. Your responsibilities include:



- Understanding your VSDP benefits and how you qualify for them.
- Contacting your supervisor and Unum as soon as you become disabled or know when you will be out.
- Authorizing your licensed treating healthcare professional to release your medical information to Unum.
- Ensuring Unum receives medical information in a timely manner.
- Reporting any changes in your disability to your human resource office and Unum immediately.
- Applying for workers' compensation benefits if your disability is work-related.
- Applying for Social Security Disability Insurance benefits if you are eligible.
- Reporting any outside income or other benefits you may receive for the same disability to Unum.
- Cooperating with a transitional, medical or vocational rehabilitation plan if one is arranged as part of your return to work.

When the VSDP Benefit is not Payable

- Your disability is the result of alcohol or drug abuse, including prescription drug abuse, and you do not comply fully with a treatment plan or make substantial progress toward rehabilitation.
- You do not participate in a transitional, medical or vocational rehabilitation plan if one is arranged for you.
- You falsify or fail to report information such as outside income or disability benefits from other sources.
- Your disability is the result of committing a felony.
- You are incarcerated.

What to do if I...	See...
<p>Need non-work related disability coverage during my first year of employment?</p> <p>If you were hired or rehired on or after July 1, 2009 and have not satisfied the one-year eligibility period for non-work related disability coverage, you may wish to purchase an individual policy. For more information, visit www.fbmc-benefits.com/VaProviderNetwork/index.asp for a list of companies approved to handle payment deductions for state employees. The Commonwealth does not endorse any of these companies.</p>	<p>Chapter 3-Short-Term Disability Coverage</p>
<p>Am sick, injured or having a minor procedure and will be out for several days?</p> <p>You can use your sick leave or family and personal leave to cover your absence with the approval of your supervisor. If you are out for more than seven calendar days, you may file a claim for short-term disability through Unum, the third-party administrator. The short-term disability benefit will begin on the eighth day of your disability.</p>	<p>Chapter 2-Sick, Family and Personal Leave</p> <p>Chapter 3-Short-Term Disability Coverage</p>
<p>Am ill or injured and will be out for a while?</p> <p>Notify your supervisor and file a claim for short-term disability with Unum as soon as possible. Your human resource office, a family member or friend may file a claim on your behalf.</p>	<p>Chapter 3-Short-Term Disability Coverage</p>
<p>Am having a medical procedure or know my due date if I am pregnant?</p> <p>As soon as you know when you expect to be out, let your supervisor know and call Unum to start the claim process. You do not have to wait until the end of the seven-calendar day waiting period to file a claim.</p>	<p>Chapter 3-Short-Term Disability Coverage</p>
<p>Am not getting better?</p> <p>If your condition does not improve or worsens, you and your licensed treating healthcare professional should contact Unum. Your human resource office, a family member or friend can coordinate with your doctor's office and call Unum on your behalf. If your disability continues beyond 125 working days, you may be placed on long-term disability, as determined by Unum.</p>	<p>Chapter 3-Short-Term Disability Coverage</p> <p>Chapter 4-Long-Term Disability Coverage</p>
<p>Suffer a work-related illness or injury?</p> <p>To qualify for a work-related VSDP benefit, your illness or injury must be considered compensable under the Virginia Workers' Compensation Act. Your human resource office will file your workers' compensation claim. If you receive a workers' compensation award, your VSDP benefit will supplement your workers' compensation benefit.</p>	<p>Chapter 3-Short-Term Disability Coverage</p> <p>Chapter 4-Long-Term Disability Coverage</p> <p>Chapter 6-Adjustments to the VSDP Benefit</p>
<p>Need long-term care?</p> <p>Call the Long Term Care Group, Inc. to file a claim under the VSDP Long-Term Care Plan within 60 days of certification by a licensed healthcare professional that you qualify for benefits. Benefits include nursing home care, transitional care and in-home care, among other long-term care services. If you are enrolled in the Commonwealth of Virginia (COV) Voluntary Group Long Term Care Insurance Program, you also can file a claim by calling Genworth Life. See "Claims Contact Information" on the next page.</p>	<p>Chapter 7-Long-Term Care Programs</p>

Am on disability and eligible to retire?

You can apply for service retirement at any time, unless you are receiving workers' compensation benefits. You are not eligible to apply for VRS disability retirement.

If you reach your normal retirement age under Plan 1 or Plan 2, your VSDP benefit will end. If you become disabled within five years of your normal retirement age or later, you will be eligible for up to five years of VSDP benefits, provided you remain medically eligible. Once you have received VSDP benefits for five years, you must retire.

More information about Plan 1 and Plan 2 as well as applying for retirement is available at www.varetire.org and described in the *Handbook for Members* for the plans. Your human resource office also can assist you.

Chapter 4-Long-Term Disability Coverage

File a claim and my claim is denied?

You will receive a letter from Unum approving or denying your claim. If your claim is denied, the letter will include information on the appeal process.

Chapter 5-Applying for VSDP

Have a question about my benefits? This handbook describes your benefits under the Virginia Sickness and Disability Program (VSDP). If you have additional questions, contact your human resource office or VRS toll free at 1-888-VARETIR (1-888-827-3847).

Important Note:

Depending on when you were hired or rehired in a VSDP-covered position, you may be required to fulfill eligibility periods for non-work related short-term disability and certain income replacement levels. For more information, see "When Coverage Begins" in this chapter as well as Chapter 3-Short-Term Disability Coverage and Chapter 4-Long-Term Disability Coverage.

Claims Contact Information:

- VSDP claims: Call Unum toll free at 1-800-652-5602 or visit www.unum.com/claimant.
- VSDP Long-Term Care Plan claims: Call the Long Term Care Group, Inc. toll free at 1-800-761-4057.
- Commonwealth of Virginia (COV) Voluntary Group Long Term Care Insurance Program claims: Call Genworth Life toll free at 1-866-859-6060 or visit www.genworth.com/cov.

2 Sick, Family and Personal Leave

Sick Leave • Family and Personal Leave •
Leave While on Disability

Sick Leave

On January 10 of each year, you receive sick leave to use throughout the year for personal illness, injury, pregnancy or visits with licensed treating healthcare professionals. Your total months of career state service and whether you are full time or part time determine how much sick leave you receive:

Annual Sick Leave Amounts for Eligible Salaried State Employees

Effective January 10 Each Year

Months of Career State Service	If you are full time, you receive...
Fewer than 60	64 hours
60-119	72 hours
120 or more	80 hours
Months of Career State Service	If you are part time, you receive...
Fewer than 120	32 hours
120 or more	40 hours

What is Career State

Service? – Career state service includes full-time and part-time salaried state service and absences for military leave, layoffs, temporary workforce reductions or periods of reduced hours or job restrictions while on short-term or long-term disability.

If you need to be absent from work for an illness or injury of an immediate family member, you may use up to 33 percent of your sick leave as provided under Department of Human Resource Management (DHRM) policy on the Family and Medical Leave Act (FMLA). Immediate family members include a spouse, parents, children or stepchildren under age 18, or children or stepchildren over age 18 who cannot take care of themselves because of a severe physical or cognitive disability.

If you work in a nine-, 10- or 11-month position, you cannot use sick leave or family and personal leave during the month(s) you are not normally scheduled to work.

When you are hired. You will receive an initial allotment of sick leave according to your date of employment and whether you are full time or part time:

Initial Sick Leave Amounts for Eligible New and Rehired Salaried State Employees

Dates of Hire	If you are full time, you receive...	If you are part time, you receive...
January 10-July 9	64 hours	32 hours
July 10-January 9	40 hours	20 hours

About Leave Allotments –

You receive one allotment each of sick leave and family and personal leave to use throughout the calendar year. You cannot carry over unused sick, family or personal leave from year to year or be paid for unused sick leave when you retire or leave covered employment.

Family and Personal Leave

On January 10 of each year, you receive up to 40 hours of family and personal leave in addition to sick leave. You may use this leave for any family or personal reason, including illness or injury. Your total months of career state service determine how much family and personal leave you receive:

Annual Family and Personal Leave Amounts for Eligible Salaried State Employees

Effective January 10 Each Year

Months of Career State Service	If you are full time or part time, you receive...
Fewer than 120	32 hours
120 or more	40 hours

When you are hired. You will receive an initial allotment of family and personal leave according to your date of employment:

Initial Family and Personal Leave Amounts for Eligible New and Rehired Salaried State Employees

Dates of Hire	If you are full time or part time, you receive...
January 10–July 9	32 hours
July 10–January 9	16 hours

Leave While on Disability

If you are receiving a short-term or long-term disability benefit on January 10, you will be granted sick leave and family and personal leave on the date you return to work with a full release from your licensed treating healthcare professional. You cannot accrue sick leave or family and personal leave if you go on long-term disability.

While you are on short-term or long-term disability, you cannot use sick leave. However, if you are receiving 80 percent or 60 percent of your pre-disability income, you can use your family and personal leave to bring your income replacement level to 100 percent. You also may be able to use other eligible leave with the approval of your supervisor. For more information about income replacement, see Chapter 3-Short-Term Disability Coverage and Chapter 4-Long-Term Disability Coverage.





3 Short-Term Disability Coverage

What is a Short-Term Disability? • Eligibility Periods and Income Replacement • If You Have a Catastrophic or Major Chronic Condition • Successive Periods of Short-Term Disability • Other Benefit Coverage While on Short-Term Disability

What is a Short-Term Disability?

A short-term disability is an illness, injury or other condition, such as surgery, pregnancy, complications from pregnancy or a catastrophic or major chronic condition, that prevents you from performing the full duties of your job. The Virginia Sickness and Disability Program (VSDP) provides coverage for non-work related and work-related disabilities. A work-related disability is the result of an occupational illness or injury that occurs on the job and the cause is determined to be compensable under the Virginia Workers' Compensation Act. VRS has contracted with Unum as the third-party administrator for VSDP.

Family and Medical Leave

Act (FMLA) – The federal Family and Medical Leave Act (FMLA) provides job protection if you need to take an extended leave of absence for your own serious health condition, for the birth or adoption of a child or to care for an immediate family member who is seriously ill. If you are out for your own serious health condition, your FMLA leave will be coordinated with your VSDP coverage. For more information about FMLA leave, contact your human resource office.

Short-Term Disability Period

The maximum short-term disability period is 125 workdays. The 125-workday period is based on a Monday-through-Friday workweek and includes paid holidays. If you are still disabled after 125 workdays, you may be placed on long-term disability, as determined by Unum. For more information, see Chapter 4-Long-Term Disability Coverage.

Waiting Period

If your claim for short-term disability is approved, the benefit will begin after seven calendar days from the first day of your disability. During the seven-calendar day waiting period, you may use sick leave, family and personal leave or other eligible leave to cover your absence from work with the approval of your supervisor. If you work 20 hours or less during the first seven days, 10 hours or less if you are a part-time salaried state employee, you will have satisfied the waiting period. If you have a catastrophic or major chronic condition, the waiting period may be waived.

To file a claim, call Unum toll free at 1-800-652-5602. You do not have to wait until the end of the seven-calendar day waiting period. For more information, see Chapter 5-Applying for VSDP.

Eligibility Periods and Income Replacement

Hired or Rehired On or After July 1, 2009?

If you were hired or rehired in a VSDP-covered position on or after July 1, 2009, you become eligible for non-work related short-term disability coverage after one year of continuous employment. If you would like to purchase an individual policy for non-work related disability coverage during your first year of employment, see the Fringe Benefits Management Company Web site at www.fbmc-benefits.com/VaProviderNetwork/index.asp for a list of companies approved to handle payment deductions for state employees. The Commonwealth does not endorse any of these companies.

You are eligible for work-related short-term disability coverage from the first day of employment. To qualify for a VSDP work-related benefit, your disability must be the result of an occupational illness or injury that occurs on the job and the cause is determined to be compensable under the Virginia Workers' Compensation Act.

Income replacement. If you go on non-work related disability after satisfying the one-year eligibility period or if you go on work-related disability, you will receive income replacement equal to 60 percent of your pre-disability income. After five years of continuous employment, you become eligible for income replacement beginning at 100 percent of your pre-disability income, which reduces to 80 percent and then 60 percent. The reduction depends on your months of career state service, how long you are out and whether your disability is non-work related or work-related, as shown in the following tables:

Days of Income Replacement: Non-Work Related Short-Term Disability

Hired or Rehired On or After July 1, 2009

Months of Career State Service	Workdays at 100% Income Replacement	Workdays at 80% Income Replacement	Workdays at 60% Income Replacement
0-12	0	0	0
13-59	0	0	125
60-119	25	25	75
120-179	25	50	50
180 or more	25	75	25

If You are a State Police Officer

– If you are covered under the State Police Officers' Retirement System (SPORS) and suffer a work-related illness or injury in the line of duty on or after July 1, 2010, you may be eligible for income replacement equal to 100 percent of your pre-disability income for up to six months. Depending on certification by the Superintendent of State Police based on a medical evaluation that you are likely to return to work within another six months, you may be eligible for an additional six months of short-term disability at 100 percent of your pre-disability income. If you are still disabled after 12 months, you will go on long-term disability. For more information, contact your human resource office.

If You Receive a Workers’ Compensation Award –

The current state workers’ compensation benefit is 66⅔ percent of your average weekly wage. If you receive a workers’ compensation award, your VSDP benefit will supplement your workers’ compensation benefit. If you are eligible for income replacement at 60 percent of your pre-disability income, you will not receive a VSDP benefit unless your workers’ compensation benefit is reduced to less than 60 percent or ends, or if your income replacement level increases to 80 percent because of a catastrophic condition.

Your human resource office will assist you in filing a claim for workers’ compensation benefits. If your claim is approved, notify Unum as soon as possible. For more information, see Chapter 5-Applying for VSDP and Chapter 6-Adjustments to the VSDP Benefit.

Days of Income Replacement: Work-Related Disability

Hired or Rehired On or After July 1, 2009

Months of Career State Service	Workdays at 100% Income Replacement	Workdays at 80% Income Replacement	Workdays at 60% Income Replacement
Less than 60	0	0	125
60-119	85	25	15
120-more	85	40	0

Hired Before July 1, 2009?

If you were hired in a VSDP-covered position before July 1, 2009, you became eligible for non-work related and work-related disability coverage and short-term disability income replacement beginning at 100 percent of your pre-disability income upon employment. To qualify for a VSDP work-related benefit, your disability must be the result of an occupational illness or injury that occurs on the job and the cause is determined to be compensable under the Virginia Workers’ Compensation Act.

Income replacement. You are eligible for income replacement beginning at 100 percent of your pre-disability income, which reduces to 80 percent and then 60 percent. The reduction depends on your months of career state service, how long you are out and whether your disability is non-work related or work-related, as shown in the following tables:

Days of Income Replacement: Non-Work Related Short-Term Disability

Hired Before July 1, 2009

Months of Career State Service	Workdays at 100% Income Replacement	Workdays at 80% Income Replacement	Workdays at 60% Income Replacement
Less than 60	5	20	100
60-119	25	25	75
120-179	25	50	50
180 or more	25	75	25

Days of Income Replacement: Work-Related Disability

Hired Before July 1, 2009

Months of Career State Service	Workdays at 100% Income Replacement	Workdays at 80% Income Replacement	Workdays at 60% Income Replacement
Less than 60	65	25	35
60-119	85	25	15
120-more	85	40	0

If You Have Disability

Credits – If you were hired before January 1, 1999 and elected coverage under VSDP during one of two enrollment periods, you had the option to convert your accumulated sick leave to VRS service credit or to disability credits. If you chose disability credits and are receiving income replacement at 80 percent or 60 percent of your pre-disability income, you can use these credits to bring your income replacement level to 100 percent. If you go on long-term disability, you must use these credits. Eight disability credits equal one day of 100 percent income replacement.

If you leave covered employment, you will be paid for 25 percent of any unused disability credits, up to \$5,000. If you retire, you can elect the cash payment or convert unused disability credits to VRS service credit toward calculating your benefit.

Purchasing Service Credit for Work-Related Short-Term Disability

If you go on work-related short-term disability receiving only a workers' compensation benefit, your employer will not be able to deduct your 5 percent member contribution for your retirement plan. Therefore, you will not accrue VRS service credit for this period of short-term disability. However, you will be eligible to purchase up to the full amount of this period as service credit in your plan. Contact your human resource office for more information.

If You Have a Catastrophic or Major Chronic Condition

Catastrophic Condition

If Unum, in consultation with your licensed treating healthcare professional, determines your condition is catastrophic, the seven-calendar day waiting period may be waived. In addition, you may be eligible for an adjustment to your income replacement level. If you are receiving 60 percent of your pre-disability income, it will increase to 80 percent until your condition improves and is no longer considered catastrophic.

A catastrophic condition means you are unable to perform at least two of the following six activities of daily living without substantial assistance:

1. Bathing
2. Transferring, such as getting in and out of bed
3. Dressing
4. Toileting (using the bathroom)
5. Continence
6. Eating (ability to feed oneself)

Your condition also may be considered catastrophic if you have a severe cognitive impairment, such as Alzheimer’s disease, and require substantial supervision or are placed in a guardianship. For more information about coverage for catastrophic conditions, call Unum toll free at 1-800-652-5602 or visit www.unum.com/claimant.

Major Chronic Condition

If Unum, in consultation with your licensed treating healthcare professional, determines that your disability is the result of a major chronic condition, the seven-calendar day waiting period may be waived. A major chronic condition is a life-threatening health condition that exists over a prolonged period of time and is not expected to improve. You must have been disabled with the condition within six months of the date you file a claim with Unum and be under the care of a licensed treating healthcare professional for the condition.

Successive Periods of Short-Term Disability

A successive period of short-term disability means you are out more than once for the same condition. The time between successive disability periods determines whether you are on the same claim or you need to file a new claim:

Within 45 consecutive calendar days. If you go on short-term disability, return to work with a full release from your licensed treating healthcare professional and then go out again for the same condition within 45 consecutive calendar days, you will be on the same short-term disability claim. You do not have to fulfill another seven-calendar day waiting period. Your income replacement will resume at the level you were receiving during the previous disability period. The number of days remaining on the 125-workday period for short-term disability also will resume.

After 45 consecutive calendar days. If you return to work with a full release from your licensed treating healthcare professional and then go out again for the same condition on the 45th consecutive calendar day or after, the subsequent period will be considered a new claim. You must contact Unum to file a new claim and satisfy a new seven-calendar day waiting period. If your claim is approved, you will have up to 125 workdays of short-term disability coverage.

Absences During the 45-Day Period – Time missed from work for the same condition during the first 45-day period could affect whether you are considered to be on the same claim or need to file a new claim. Unum will advise you if you need to file a new claim for the same condition.

Other Benefit Coverage While on Short-Term Disability

Annual Leave You continue to accrue annual leave based on your years of career state service, as provided under the leave policies administered by the Department of Human Resource Management (DHRM). You may use annual leave to supplement your income replacement with the approval of your supervisor.

Health Insurance Your health insurance coverage continues while you are on short-term disability.

For more information about annual leave and state health insurance coverage, contact your human resource office or visit www.dhrm.virginia.gov.

VRS Service Credit While you are on short-term disability, you continue to accrue VRS service credit, unless you are receiving only a workers' compensation benefit. Service credit counts toward the five years needed to become vested, eligibility for retirement and eligibility for the health insurance credit. If you are on work-related short-term disability and receiving only a workers' compensation benefit, you are eligible to purchase this period as service credit in your plan. Contact your human resource office for more information.

Any prior service you purchase also will count toward vesting, eligibility for retirement and the health insurance credit. However, if you were hired or rehired on or after July 1, 2009, prior service credit will not count toward satisfying the eligibility periods for non-work related disability coverage and income replacement levels. You must be an active member during these periods to become eligible for this coverage.

Group Life Insurance Your basic group life insurance coverage will continue. If you have optional group life insurance coverage, your payroll deductions to pay the premiums also will continue. For more information about your coverage, call the third-party administrator, Minnesota Life, toll free at 1-800-441-2258.

Death-in-Service Benefits If you die while you are on short-term disability, your VSDP benefit will not continue to a beneficiary or survivor. However, your beneficiary or your spouse, natural or legally adopted minor child or parent may be eligible for a VRS death-in-service benefit or a payment of any contributions remaining in your member contribution account, in addition to life insurance benefits.

For more information about your VRS benefits, visit www.varetire.org or review the current *Handbook for Members* for Plan 1 or Plan 2. You also can contact your human resource office or call VRS toll free at 1-888-VARETIR (1-888-827-3847).

Deferred Compensation Plan If you participate in the Commonwealth of Virginia 457 Deferred Compensation Plan or a 403(b) plan, your contributions and the cash match will continue, unless you are receiving only a workers' compensation benefit. You continue to manage your plan investments and can increase your contributions within the allowable annual limits set by the Internal Revenue Service (IRS). You also may be eligible to take a distribution (payment) from your plan for an approved hardship, as provided under IRS guidelines.

For more information about the Commonwealth's 457 Plan, visit www.varetire.org (select the Defined Contribution Plans tab) or call toll free 1-VRS-DC-PLAN1 (1-877-327-5261). For more information about the 403(b) plan, contact your human resource office.

4 Long-Term Disability Coverage

What is a Long-Term Disability? • Successive Periods of Long-Term Disability • Long-Term Disability-Working • Other Benefit Coverage While on Long-Term Disability • If You are Eligible to Retire

What is a Long-Term Disability?

A long-term disability is a non-work related or work-related condition that prevents you from performing the full duties of your job for an extended period of time. The VSDP long-term benefit begins after 125 workdays of short-term disability. A work-related disability is the result of an occupational illness or injury that occurs on the job and the cause is determined to be compensable under the Virginia Workers' Compensation Act.

If you were hired or rehired on or after July 1, 2009, your eligibility for non-work related disability coverage begins after one year of continuous employment. Your eligibility for work-related disability coverage is effective from the first day of employment. If you were hired before July 1, 2009, you became eligible for non-work related as well as work-related disability coverage upon employment.

To file a claim, call Unum toll free at 1-800-652-5602. Your human resource office, a family member or a friend may call on your behalf. For more information, see Chapter 5-Applying for VSDP.

Income replacement. If you are approved for long-term disability, you will receive 60 percent of your pre-disability income. Note that for work-related disability, the current state workers' compensation benefit is 66⅔ percent of your average weekly wage. Therefore, if you go on work-related long-term disability, you will not receive a VSDP benefit unless your workers' compensation benefit is reduced to less than 60 percent or ends, or your income replacement level increases to 80 percent for a catastrophic condition. For more information about catastrophic conditions, see Chapter 3-Short-Term Disability Coverage.

Cost-of-living adjustment (COLA). If you are on long-term disability over a full calendar year (January 1 to December 31), you will become eligible for a cost-of-living adjustment (COLA) on the following July 1 if you are still on long-term

Hired or Rehired On or After July 1, 2009? –

If you have not satisfied the one-year eligibility period for non-work related disability coverage and would like to purchase an individual policy, see the Fringe Benefits Management Company at www.fbmc-benefits.com/VaProviderNetwork/index.asp for a list of companies approved to handle payment deductions for state employees. The Commonwealth does not endorse any of these companies.

disability. The COLA is based on the amount of increase or decrease in inflation. During periods of no inflation or deflation, the COLA will be 0 percent.

Social Security Disability Insurance benefits. If you become disabled, you may be required to apply for Social Security Disability Insurance (SSDI) benefits. Your VSDP benefit will supplement any SSDI benefits you receive. Unum will assist you in applying for SSDI and appealing your claim if it is denied. For more information about coordinating VSDP and SSDI benefits, see Chapter 6-Adjustments to the VSDP Benefit.

Successive Periods of Long-Term Disability

A successive period of long-term disability means you are out more than once for the same condition. The time between successive disability periods determines whether you are on the same claim or you need to file a new claim:

Within 180 consecutive calendar days. If you go on long-term disability, return to work with a full release from your licensed treating healthcare professional and then go out again for the same condition within 180 consecutive calendar days, you will be on the same long-term disability claim.

After 180 consecutive calendar days. If you return to a position eligible for VSDP coverage and then go out again for the same condition on the 180th consecutive calendar day or after, the subsequent period will be considered a new claim for short-term disability. You must contact Unum to file a new claim and satisfy a new seven-calendar day waiting period. If your claim is approved, you will have up to 125 workdays of short-term disability.

Line-of-Duty Benefits

If you are a member of SPORS or VaLORS, you or your beneficiary may be eligible for state or federal benefits if you are disabled or die in the line of duty. For more information, contact:

- Virginia Line of Duty Act: Virginia Department of Accounts at 804-225-3038 or www.doa.virginia.gov
- Federal Public Safety Officers' Benefit Act: Bureau of Justice Assistance toll free at 1-888-744-6513 or www.ojp.usdoj.gov/BJA

Long-Term Disability-Working

If you can work at least 20 hours a week but cannot perform your full duties, you may be eligible for a long-term disability benefit while you are working. You must have returned to work with modified duties while on short-term disability to be eligible for long-term disability-working. Your benefit will be adjusted by income or wages you earn, as shown in the following example:



First Six Months of Long-Term Disability-Working

During the first six months of long-term disability-working, your benefit amount will be adjusted by 60 percent of income or wages you earn from employment. The following example is based on an employee working at 50 percent of his or her full duties:

LONG-TERM DISABILITY BENEFIT CALCULATION

Monthly Pre-Disability Income	\$ 5,500.00
x 60% Income Replacement Level	x .60
<hr/>	
Monthly VSDP Benefit Before Adjustment	\$ 3,300.00

ADJUSTMENT TO INCOME/WAGES

Monthly Pre-Disability Income	\$ 5,500.00
x Percentage of Hours Worked	x .50
<hr/>	
Actual Income/Wages	\$ 2,750.00
x 60% Adjustment to Income/Wages	x .60
<hr/>	
Adjusted Income/Wages	\$ 1,650.00

LONG-TERM DISABILITY-WORKING BENEFIT CALCULATION

Monthly VSDP Benefit Before Adjustment	\$ 3,300.00
- Adjusted Income/Wages	1,650.00
<hr/>	
Adjusted VSDP Benefit	\$ 1,650.00
+ Actual Income/Wages	\$ 2,750.00
<hr/>	
Total Monthly Income	\$ 4,400.00

After Six Months of Long-Term Disability-Working

After the first six months of long-term disability-working, the benefit amount will be adjusted by 70 percent of income or wages you earn from employment. The following example is based on an employee working at 50 percent of his or her full duties:

LONG-TERM DISABILITY BENEFIT CALCULATION	EXAMPLE
Monthly Pre-Disability Income	\$ 5,500.00
x 60% Income Replacement Level	x .60
<hr/>	
Monthly VSDP Benefit Before Adjustment	\$ 3,300.00

ADJUSTMENT TO INCOME/WAGES	
Monthly Pre-Disability Income	\$ 5,500.00
x Percentage of Hours Worked	x .50
<hr/>	
Actual Income/Wages	\$ 2,750.00
x 70% Adjustment to Income/Wages	x .70
<hr/>	
Adjusted Income/Wages	\$ 1,975.00

LONG-TERM DISABILITY-WORKING BENEFIT CALCULATION	
Monthly VSDP Benefit Before Adjustment	\$ 3,300.00
- Adjusted Income/Wages	1,975.00
<hr/>	
Adjusted VSDP Benefit	\$ 1,375.00
+ Actual Income/Wages	\$ 2,750.00
<hr/>	
Total Monthly Income	\$ 4,125.00



Other Benefit Coverage While on Long-Term Disability

Long-Term Disability

Long-Term Disability-Working

Annual Leave

You will be paid for any unused annual leave. If you return to employment within 180 consecutive calendar days, you may be eligible to re-purchase your annual leave. The cost will be based on your income at the time you return to employment or the rate at which your annual leave was paid, whichever is less.

You will continue to accrue annual leave based on the hours you can work as well as your years of career state service, as provided under Department of Human Resource Management (DHRM) leave policies. You may use annual leave to supplement the 60 percent income replacement level while on long-term disability-working with the approval of your supervisor.

Health Insurance

You can continue your health insurance coverage when you go on long-term disability. You must elect this option within 31 calendar days of the date your long-term disability period begins. You will pay the premiums. To continue your coverage, submit a State Health Benefits Program Enrollment Form for Retirees, Survivors and VSDP/LTD Participants to your human resource office. The form is available from your human resource office or www.varetire.org.

Your health insurance coverage will continue at the same level you were receiving while on short-term disability.

For more information about annual leave and state health insurance coverage, contact your human resource office or visit www.dhrm.virginia.gov.

Health Insurance Credit

If you go on long-term disability, you will be eligible for the health insurance credit. This is a tax-free benefit that assists with health insurance premiums you pay for single coverage, excluding any portion of the premiums covering a spouse or dependents. The amount is \$120 per month or \$4 per year of service credit per month at the time you become disabled, whichever is higher, not to exceed the amount of your monthly health insurance premiums. A Request for Health Insurance Credit (VRS-45) will be included in the VSDP introductory packet you will receive from Unum. See Chapter 5-Applying for VSDP.

If you go on long-term disability-working, you will not be eligible for the health insurance credit.

If you retire after being on long-term disability, you must have at least 15 years of service credit to be eligible for the health insurance credit as a retiree.

Long-Term Disability and Long-Term Disability-Working

VRS Service Credit

You continue to accrue VRS service credit while on long-term disability or long-term disability-working. Service credit counts toward the five years needed to become vested, eligibility for retirement and the health insurance credit.

Group Life Insurance

Your basic group life insurance coverage will continue while you are on long-term disability or long-term disability-working. If you have optional group life insurance coverage, you may continue your coverage by paying the premiums directly to Minnesota Life, the third-party administrator for the VRS Group Life Insurance Program. For more information, call Minnesota Life toll free at 1-800-441-2258.

Death In-Service Benefits

If you die while you are on long-term disability, your VSDP benefit will not continue to a beneficiary or survivor. However, your named beneficiary or your spouse, natural or legally adopted minor child or parent may be eligible for a VRS death-in-service benefit or a payment of any contributions remaining in your member contribution account, in addition to life insurance benefits.

For more information about your VRS benefits, visit www.varetire.org or review the current *Handbook for Members* for Plan 1 or Plan 2. You also can contact your human resource office or call VRS toll free at 1-888-VARETIR (1-888-827-3847).

Long-Term Disability

Long-Term Disability-Working

Deferred Compensation Plan

You cannot contribute to the Commonwealth of Virginia 457 Deferred Compensation Plan or a 403(b) plan while you are on long-term disability. You may be eligible to take a distribution (payment) from your plan for an approved hardship, as provided under IRS guidelines.

While on long-term disability working, your 457 Plan or 403(b) plan contributions will continue along with the employer cash match, unless you are receiving only a workers' compensation benefit. You continue to manage your plan investments and can increase your contributions within the allowable annual limits set by the Internal Revenue Service (IRS). You also may be eligible to take a distribution from your plan for an approved hardship, as provided under IRS guidelines.

For more information about the Commonwealth's 457 Plan, visit www.varetire.org (select the Defined Contribution Plans tab) or call toll free 1-VRS-DC-PLAN1 (1-877-327-5261). For more information about the 403(b) plan, contact your human resource office.

If You are Eligible to Retire

You are not retired when you are on long-term disability. You can retire when you meet the age and service requirements for your plan, unless you are receiving workers' compensation benefits. You are not eligible for VRS disability retirement.

Applying for Retirement –

For information about the retirement provisions for the VRS Plan 1 and Plan 2 and applying for retirement, review the current *Handbook for Members* for your plan or visit www.varetire.org.

If you reach your normal retirement age while on long-term disability and have not applied for retirement, you must retire:

- If you are covered under the VRS Plan 1, your normal retirement age is age 65.
- If you are covered under the VRS Plan 2, your normal retirement age is your normal Social Security retirement age.
- If you are covered under the SPORS or VaLORS Plan 1 or Plan 2, your normal retirement age is age 60.

If you become disabled within five years of your normal retirement age or later, you will be eligible for up to five years of VSDP benefits, provided you remain medically eligible. Once you have received VSDP benefits for five years, you must retire.

If You Have Disability Credits

If you were hired before January 1, 1999 and elected VSDP coverage, you had the option to convert your accumulated sick leave to VRS service credit or to disability credits. If you chose disability credits, you must use these credits if you go on long-term disability.

When you retire, you will be eligible to elect to receive a payment of 25 percent of any unused disability credits, up to \$5,000, or convert unused disability credits to VRS service credit toward calculating your retirement benefit. The conversion rate is one month of service credit for 173 disability credits, rounded to the next highest month. *Example:* If you have 200 disability credits, you will receive one month for 173 disability credits and another month for the remaining 27 disability credits for a total of two months of additional service credit at retirement. Submit the VSDP Conversion of Disability Credits (VRS-5A) with your retirement application. The form is available at www.varetire.org.

5

Applying for VSDP

How to File a Claim for Short-Term Disability • If You Go on Long-Term Disability • Confidentiality

How to File a Claim for Short-Term Disability

Step One

Notify your supervisor and call Unum toll free at 1-800-652-5602 as soon as possible.

You do not have to wait until the end of the seven-calendar day waiting period to file a claim. Your human resource office, a family member or friend may contact Unum on your behalf. Have the following information ready:

- Job title and agency name
- Social Security number
- Date of birth
- Current mailing address
- Brief description of your disability and whether you have filed a workers' compensation claim if you are applying for work-related disability
- Last day you were or will be able to work
- Name, address, phone number and fax number of your doctor or other licensed treating healthcare professional



Step Two

You will receive an **information packet** with forms that you and your licensed treating healthcare professional must submit before Unum can complete its review of your claim.

The following forms are returned to Unum:

- **Attending Provider Statement.** Unum will fax this statement to your doctor or other licensed treating healthcare professional. The review of your claim cannot be completed without this form. To expedite the review process, please contact your healthcare professional's office to ensure the form is returned to Unum as soon as possible.
- **Authorization form** you complete to allow Unum access to information about your medical care.

Note – You are responsible for contacting Unum as soon as possible to submit your claim. You are not eligible to receive benefits more than 14 days before the date you contact Unum.

The following forms are returned to your human resource office:

- **Short-Term Disability Repayment Agreement.** This agreement states that you will reimburse your employer for any overpayment of VSDP benefits while on short-term disability. Have this form notarized before returning it to your human resource office.
- **VSDP Outside Earned Income Reporting for Short-Term Disability.** Your disability benefit payment will be adjusted by any wages or salary you receive from any employment, including income reported on W-2 forms and from self-employment.

Notification. You will receive a letter from Unum approving or denying your claim. If your claim is denied, the letter will include information about the appeal process.

If Your Licensed Treating Healthcare Professional Does Not Respond

Unum will fax an Attending Provider Statement to your licensed treating healthcare professional and make several attempts to obtain information from your provider to administer your claim. However, you are responsible for ensuring your provider complies with this requirement.

If Unum does not receive a response from your provider, you will receive the Attending Provider Statement to give to your healthcare professional. Your provider will have 10 days to mail or fax the form to Unum. The fax number is 1-800-447-2498 and is included on the form. If Unum does not receive the form within this period, your claim will be denied and your case closed.

If You Go On Long-Term Disability

If you will be out for more than 125 workdays, your claim will be reviewed for long-term disability. The following forms must be submitted to Unum. Your human resource office, a family member or friend can assist you:

- **Long-Term Disability Repayment Agreement.** This agreement states that you will reimburse Unum for any overpayment of VSDP benefits while on long-term disability. Have this form notarized before returning it to Unum.
- **VSDP Outside Earned Income Reporting for Long-Term Disability.** Your disability benefit payment will be adjusted by any wages or salary you receive from any employment, including income reported on W-2 forms and income from self-employment.

- **Request for Health Insurance Credit (VRS-45).** If you go on long-term disability, you will be eligible for a health insurance credit to assist with the portion of the premiums you pay for single coverage under qualifying health insurance plans. Complete and return this form to Unum. You are not eligible for the health insurance credit if are on long-term disability-working. For more information about the health insurance credit, review the current *Handbook for Members* for Plan 1 or Plan 2 or visit www.varetire.org (select Insurance in Retirement from the Retiree homepage).
- **W-4 Form.** Complete this form and return it to Unum to elect your tax filing options.

Confidentiality

Unum protects the confidentiality of all medical information and maintains and stores your information according to state and federal privacy laws and regulations. Your human resource office receives only the following information:

- The date you initiate your disability claim
- Whether your claim is for short-term disability, long-term disability or a catastrophic or major chronic condition
- Authorized start and end dates of the disability period
- Dates to begin paying you at 100 percent, 80 percent or 60 percent of your pre-disability income
- Estimated return-to-work date
- Physical restrictions
- Number of hours a day you are able to work
- When your case is closed



6

Adjustments to the VSDP Benefit

VSDP Short-Term Disability Benefit and Workers' Compensation • Social Security Disability Insurance Benefits • Outside Income or Other Benefit Payments

VSDP Short-Term Disability Benefit and Workers' Compensation

A work-related disability is the result of an occupational illness or injury that occurs on the job and the cause is determined to be compensable under the Virginia Workers' Compensation Act. The current state workers' compensation benefit is 66⅔ percent of your average weekly wage, subject to minimum and maximum compensation rates established by the Virginia Workers' Compensation Commission. If you receive a workers' compensation benefit, your VSDP benefit will supplement your workers' compensation according to your applicable income replacement level (see calculation examples in this chapter).

Hired or rehired on or after July 1, 2009? If you were hired or rehired on or after July 1, 2009 and suffer a work-related illness or injury during your first year of employment, you must file a claim for state workers' compensation benefits before you file a claim for VSDP. If you have not satisfied the one-year eligibility period for non-work related disability coverage, Unum cannot begin paying you a work-related benefit until your workers' compensation claim has been approved. During your first five years of employment, you are eligible for income replacement at 60 percent of your pre-disability income. Therefore, you will not receive a VSDP benefit unless your workers' compensation benefit is reduced to less than 60 percent or ends, or your income replacement increases to 80 percent for a catastrophic condition.

Hired before July 1, 2009? If you were hired before July 1, 2009, you can file a claim for state workers' compensation benefits and a claim for VSDP at the same time. You may receive a non-work related disability benefit while your claim for workers' compensation is in review.

Filing a Workers'

Compensation Claim –

Your human resource office will file your workers' compensation claim with Managed Care Innovations, the third-party administrator for the State Employee Workers' Compensation Services. For more information about workers' compensation benefits, contact your human resource office or visit the Department of Human Resource Management (DHRM) Web site at www.dhrm.virginia.gov.

Workers' Compensation Example: 100 Percent Income Replacement

Example: Carlos is eligible for a workers' compensation benefit and a VSDP work-related disability benefit equal to 100 percent of his pre-disability income. His average weekly wage is \$1,250.

WORKERS' COMPENSATION BENEFIT CALCULATION	EXAMPLE
Average Weekly Wage	\$ 1,250.00
x 66⅔% Workers' Compensation Adjustment	x 0.6667
<hr/>	
Weekly Workers' Compensation Benefit	\$ 833.38

VSDP 100% WORK-RELATED BENEFIT CALCULATION	
Average Weekly Wage	\$ 1,250.00
x 100% VSDP Income Replacement	x 1.00
<hr/>	
Weekly VSDP Benefit at 100%	\$ 1,250.00
x 33⅓% Adjustment to VSDP Benefit (66⅔% + 33⅓% = 100%)	x 0.3333
<hr/>	
Weekly Supplemental VSDP Amount	\$ 416.62
+ Weekly Worker's Compensation Benefit	\$ 833.38
<hr/>	
Total Weekly Work-Related Disability Benefits at 100% Income Replacement	\$ 1,250.00





Workers' Compensation Example: 80 Percent Income Replacement

Example: Linda is eligible for a workers' compensation benefit and a VSDP work-related disability benefit equal to 80 percent of her pre-disability income. Her average weekly wage is \$1,250.

WORKERS' COMPENSATION BENEFIT CALCULATION	EXAMPLE
Average Weekly Wage	\$ 1,250.00
x 66⅔% Workers' Compensation Adjustment	x 0.6667
<hr/>	
Weekly Workers' Compensation Benefit	\$ 833.38
VSDP 80% WORK-RELATED BENEFIT CALCULATION	
Average Weekly Wage	\$ 1,250.00
x 80% VSDP Income Replacement	x .80
<hr/>	
Weekly VSDP Benefit at 80%	\$ 1,000.00
VSDP SUPPLEMENTAL BENEFIT CALCULATION	
Average Weekly Wage	\$ 1,250.00
x 13⅓% Adjustment to VSDP Benefit (66⅔% + 13⅓% = 80%)	x 0.1333
<hr/>	
Weekly Supplemental VSDP Amount	\$ 166.62
+ Weekly Worker's Compensation Benefit	\$ 833.38
<hr/>	
Total Weekly Work-Related Disability Benefits at 80% Income Replacement	\$ 1,000.00

Workers' Compensation Example: 60 Percent Income Replacement

Example: Sam is eligible for a workers' compensation benefit and a VSDP work-related disability benefit equal to 60 percent of his pre-disability income. His average weekly wage is \$1,250.

WORKERS' COMPENSATION BENEFIT CALCULATION	EXAMPLE
Average Weekly Wage	\$ 1,250.00
x 66⅔% Workers' Compensation Benefit	0.6667
<hr/>	
Weekly Workers' Compensation Benefit	\$ 833.38*
VSDP 60% WORK-RELATED BENEFIT CALCULATION	EXAMPLE
Average Weekly Wage	\$ 1,250.00
x 60% VSDP Income Replacement	x .60
<hr/>	
Weekly VSDP Benefit at 60%	\$ 750.00*

**Sam's workers' compensation benefit exceeds his 60 percent income replacement level. Therefore, he will not receive a VSDP benefit. If his workers' compensation benefit is reduced to less than 60 percent or ends, or if he is eligible for income replacement at 80 percent for a catastrophic condition, Sam will receive a VSDP benefit to bring him to 60 percent of his pre-disability income.*

Workers' Compensation Lump-Sum Settlement

If you receive a workers' compensation lump-sum settlement, the weekly amount represented by the settlement will be used to calculate the period of time that your VSDP benefit will supplement your workers' compensation benefit. Workers' compensation payments for permanent partial disabilities or medical, legal or rehabilitation expenses will not be included in determining the weekly amount.

Workers' Compensation Lump-Sum Example

Example: John accepts a lump-sum workers' compensation settlement of \$12,000. Of this amount, \$6,000 is for medical and legal expenses. After deducting for these expenses, the amount is \$6,000.

LUMP-SUM PRORATED OVER TIME	EXAMPLE
Lump-Sum Amount to be Applied to VSDP Benefit	\$ 6,000.00
÷ Lump-Sum Amount per Week	÷ 600.00
<hr/>	
Number of Weeks VSDP Benefit will Supplement Workers' Compensation Benefit	10 Weeks*

**John's VSDP benefit will supplement the lump-sum workers' compensation settlement for 10 weeks to bring him to his applicable income replacement level. After 10 weeks, his VSDP benefit will be paid at the full income replacement level for which he is eligible at that time.*

Social Security Disability Insurance Benefits

If you are over age 30, you may be eligible for Social Security Disability Insurance (SSDI) benefits if you have been unable to perform any work for which you are reasonably qualified for at least a year before applying for these benefits, or if you have a terminal condition. You must have been employed in five out of the previous ten years to be considered for SSDI benefits. There are special rules for younger individuals. For more information, call the Social Security Administration toll-free at 1-800-772-1213 or visit www.ssa.gov.

Qualifying for SSDI does not automatically qualify you for a VSDP benefit for the same condition. Your VSDP claim will be reviewed separately. If you file a claim for VSDP and Unum determines that you also may be eligible for SSDI, Unum will provide free advocacy services to assist you with the SSDI application process and appeal process if your claim is denied. If your VSDP claim is approved, your VSDP benefit will begin while your claim for SSDI is in review. If your SSDI claim is approved, the VSDP benefit will be adjusted to supplement the SSDI benefit.

Important Note About Unum's Advocacy Services

– If Unum determines that you may qualify for SSDI, Unum will provide SSDI claim advocacy services free of charge. If you wish to use an advocacy service other than Unum's, you will be responsible for paying the fees and will not be reimbursed for these services under VSDP. In addition, your VSDP benefit will be adjusted by an estimated SSDI benefit while your SSDI application is in review. Following the decision on your SSDI claim, your VSDP benefit will be adjusted accordingly.

VSDP and SSDI Benefit Calculation Example

Example: Martha is approved for long-term disability under VSDP and is eligible for SSDI. Her pre-disability income is \$5,000 a month. Her SSDI benefit is \$1,000 a month.

CALCULATION	EXAMPLE
Pre-Disability Income	\$ 5,000.00
x VSDP 60% Income Replacement	x .60
<hr/>	
VSDP Long-Term Disability Monthly Benefit	\$ 3,000.00
- SSDI Monthly Disability Benefit	- 1,000.00
<hr/>	
Amount of Adjusted VSDP Benefit	\$ 2,000.00
+ SSDI Monthly Disability Benefit	+ 1,000.00
<hr/>	
Total Monthly Long-Term Disability Benefits at 60% Income Replacement	\$ 3,000.00

Note: If your family is eligible for SSDI benefits, the VSDP benefit will be adjusted by the SSDI amount. If your SSDI award is retroactive over the period you have been receiving a VSDP benefit, you will be required to repay any VSDP overpayments.

Outside Income or Other Benefit Payments

Your VSDP benefit will be adjusted by the following payments according to your applicable income replacement level:

- Income or wages reported on W-2 forms
- Income from self-employment
- Federal, military, state, local or private disability program payments for the same condition, excluding cost-of-living adjustments (COLAs)

7 Long-Term Care Programs

Virginia Sickness and Disability Program Long-Term Care Plan • Commonwealth of Virginia (COV) Voluntary Group Long Term Care Insurance Program

Virginia Sickness and Disability Program Long-Term Care Plan

As a participant in the Virginia Sickness and Disability Program (VSDP), you are covered automatically under the VSDP Long-Term Care Plan. You pay no cost for this coverage while you are employed in a VSDP-covered position. The VSDP Long-Term Care Plan assists with the cost of:

- Care in a nursing home or hospice facility
- Assisted living facility care
- Community-based care
- Home healthcare services
- Informal care-giving
- Alternative or transitional care

The maximum daily benefit amount is \$96 with a lifetime maximum of \$70,080. You are eligible for benefits when a licensed healthcare professional certifies that:

- You are unable to perform at least two of six activities of daily living without substantial assistance; or
- You have a severe cognitive impairment, such as Alzheimer's disease, requiring substantial supervision.

Benefits are payable 90 calendar days after your licensed healthcare professional certifies that you qualify for long-term care benefits.

Six Activities of Daily Living –

1. Bathing
2. Transferring, such as getting in and out of bed
3. Dressing
4. Toileting (using the bathroom)
5. Continence
6. Eating (ability to feed oneself)

VSDP Long-Term Care Plan Highlights

Plan Sponsor	The Virginia Retirement System (VRS) administers the long-term care program as part of the Virginia Sickness and Disability Program (VSDP).
Plan Administrator	VRS has contracted with the Long Term Care Group, Inc. to administer benefits under the plan. For more information about your coverage or to apply for benefits, contact the Long Term Care Group, Inc. toll free at 1-800-761-4057 or P.O. Box 64011, St. Paul, MN 55164-0011.
Eligible Participants	You are covered automatically under the VSDP long-term care plan if you participate in the Virginia Sickness and Disability Program (VSDP).
Benefit Eligibility	You are eligible for benefits when a licensed healthcare practitioner certifies that you: <ul style="list-style-type: none"> • Are unable to perform at least two of six activities of daily living (see previous page) without substantial assistance; or • Have a severe cognitive impairment, such as Alzheimer’s disease, requiring substantial supervision.
Daily Benefit Maximum Amount	\$96 per day. This is the maximum amount of coverage the plan will pay for covered services in any single day.
Lifetime Maximum Amount	\$70,080. The lifetime maximum amount is based on the maximum daily benefit amount of \$96 multiplied by 730 days (two years): $\$96 \times 730 \text{ days} = \$70,080$. Your coverage ceases when your total benefit payouts reach \$70,080, regardless of how long you receive benefits.
Premiums	No charge as an active VSDP participant. See "Portability" below.
How Benefits are Paid	Your coverage pays a benefit equal to the lesser of: <ul style="list-style-type: none"> • Actual qualified expenses incurred per day; or • Allowable daily benefit amount.
Waiting Period	Your benefits are payable 90 calendar days after the beginning of each incident certified by a licensed healthcare practitioner as eligible for VSDP long-term care benefits.
Portability	If you leave your VSDP-covered position, you can continue coverage in the VSDP Long-Term Care Plan at group rates. You must elect to continue your coverage within 60 days of leaving VSDP-covered employment. You will pay the premiums. See "If You Leave or Retire from Your Position" in this chapter. For more information, call the Long Term Care Group, Inc. toll free at 1-800-761-4057.

VSDP Long-Term Care Plan Benefits

Note: Your coverage pays the lesser of actual qualified expenses incurred per day or the allowable daily benefit amount.

Nursing Care Facility	<ul style="list-style-type: none"> Up to 100 percent of the maximum daily benefit amount (\$96). Provides skilled and custodial care in a nursing care facility that meets all applicable licensing requirements.
Assisted Living Facility	<ul style="list-style-type: none"> Up to 100 percent of the maximum daily benefit amount (\$96). Personal services and care in an assisted living facility that meets all applicable licensing requirements.
Hospice Care Facility	<ul style="list-style-type: none"> Up to 50 percent of the maximum daily benefit amount (\$48). If you are terminally ill, provides care in a hospice facility that meets all applicable licensing requirements.
Home Health Care	<ul style="list-style-type: none"> Up to 50 percent of the maximum daily benefit amount (\$48). Custodial care, nursing care, therapy and homemaker services provided in your home by nurses, social workers, home health aides or other licensed or certified professionals.
Adult Day Care Center	<ul style="list-style-type: none"> Up to 50 percent of the maximum daily benefit amount (\$48). Community-based, group setting for adults.
Hospice Care Agency	<ul style="list-style-type: none"> Up to 50 percent of the maximum daily benefit amount (\$48). If you are terminally ill, provides care in your home by a hospice care agency that meets all applicable licensing requirements.
Alternate Plan Benefit	<ul style="list-style-type: none"> Up to 50 percent of the maximum daily benefit amount (\$48). May cover an Alternate Plan of Care developed by your licensed healthcare practitioner, provided you, your physician and the Long-Term Care Group, Inc. agree to the plan.
Transitional Care	One-time cash payment equal to three times the maximum daily benefit amount (\$288) to support your transition from independent living to long-term care. You may use this one-time payment in any way you wish. This benefit does not reduce your lifetime maximum benefit.
Informal Care Benefit	Up to 25 percent of the maximum daily benefit amount (\$24) for up to 50 days per calendar year to provide for personal care from a family member, neighbor or private caregiver you hire. This benefit does not reduce your lifetime maximum benefit.
Informal Caregiver Training	One payment each time you are receiving benefits to provide for the training of your personal caregiver by a licensed healthcare practitioner. The payment is equal to the lesser of the actual amount of the cost of training or three times the maximum daily benefit amount (\$288). This benefit does not reduce your lifetime maximum benefit.
Bed Reservation	If you are in a covered facility, such as a nursing home, and you have to be hospitalized, the plan covers up to 100 percent of the maximum daily benefit amount (\$96) for up to 21 days per calendar year.

Respite Care

Up to 50 percent of the maximum daily benefit amount (\$48) for up to 21 days per calendar year to provide for a substitute in-home caregiver while your usual caregiver is on leave. This benefit does not reduce your lifetime maximum benefit.

Additional Plan Features**Care Advisory Services**

Helps identify long-term care services and programs available in your area that can best meet your care needs. Services provided by care advisors are voluntary.

Future Purchase Inflation Protection

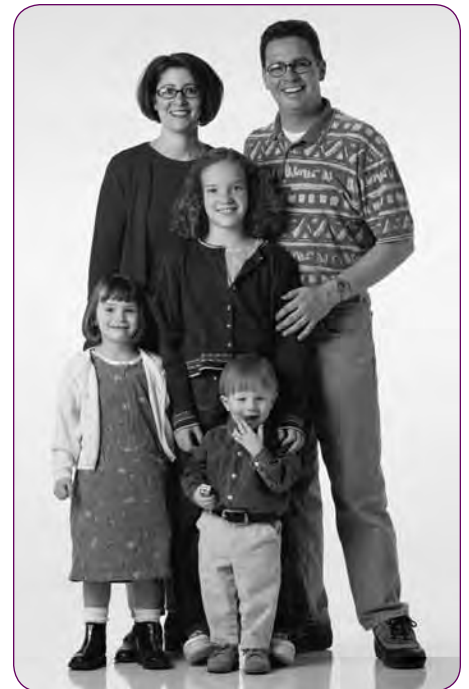
Your coverage is adjusted automatically for inflation on a 5-percent compound basis of your daily benefit amount at least every five years.

World-Wide Coverage

If you incur charges for services equivalent to those covered under this plan outside the United States, its territories or Canada, you will be reimbursed for these charges. The amount of the reimbursement will equal the benefit amounts allowable under your plan for up to 365 days of services.

How to File a Claim

VRS has contracted with the Long Term Care Group, Inc. as the third-party administrator for the VSDP Long-Term Care Plan. Call the Long Term Care Group, Inc. toll free at 1-800-761-4057 within 60 days of certification by a licensed healthcare professional that you qualify for benefits. A family member or friend may call on your behalf. You will receive a letter at your mailing address notifying you of your eligibility for benefits.



If You Leave or Retire from Your Position

If you leave or retire from your position, your VSDP long-term care coverage will end. You can elect to continue your coverage, which will be retroactive to your last day of employment. You will pay the premiums. You will qualify for the same benefits as active participants and must meet the same eligibility requirements when submitting a claim for covered services.

To continue your coverage, submit the VSDP Long-Term Care Plan Authorization of Coverage Retention (VRS-170) and the VSDP Long-Term Care Plan Protection Against Unintentional Lapse (VRS-171) to the Long Term Care Group, Inc. within 60 days of your last day of employment. This option is not available after 60 days. The forms are available at www.varetire.org.

Contingent lapse benefit. If a substantial premium rate increase occurs, you may continue coverage at current benefit levels by:

- Paying the new premium, which will allow you to receive the same daily benefit amount and lifetime maximum amount you had before the increase;
- Decreasing your daily benefit amount to an amount that the premium you were paying before the increase would purchase. This would result in a decrease in your lifetime maximum benefit; or
- Keeping the same daily benefit amount but reducing your lifetime maximum benefit. The new lifetime maximum benefit would equal the amount of the total premiums paid or 30 times your daily benefit amount, whichever is less.

Inflation protection. To help protect against inflation, you will be offered the opportunity to buy additional coverage during a special enrollment period. This enrollment period is held every five years. You may purchase a minimum of \$1 up to 5 percent of your current daily benefit amount, compounded each year of the preceding five years. This amount plus your previous daily benefit amount will become your new daily benefit amount for the next five-year period. If you decline the first offer, you will not receive any further opportunities to increase coverage.

Premium waiver. You are not required to make premium payments while you are receiving benefits, provided you have met the 90-day waiting period.

Restoration of benefits. Your lifetime maximum benefit will be restored by the amount you receive in benefits when you recover from your condition and resume your premium payments. You must make premium payments for at least 90 days to be eligible for a restoration of benefits.



Commonwealth of Virginia (COV) Voluntary Group Long Term Care Insurance Program



The employee-paid COV Voluntary Group Long Term Care Insurance Program provides a maximum monthly benefit for covered long-term care expenses. VRS has contracted with the Genworth Life Insurance Company as the insurer for the program. You are eligible to apply for coverage for yourself and select family members between the ages of 18 and 79. Family members include a spouse, adult children, parents, parents-in-law, step parents, step parents-in-law, grandparents, grandparents-in-law, step grandparents and step grandparents-in-law.

Premiums. As an active member, you can pay the premiums through a payroll deduction or directly to Genworth. If you arrange to pay the premiums to Genworth on a quarterly, semi-annual or annual basis, you may be eligible for a premium discount. If you are not currently employed, you will pay the premiums to Genworth.

Other program features

- Coverage is guaranteed if you apply within 60 days of employment. Medical underwriting (proof of good health) will be required if you apply after 60 days and for any family members who apply.
- At group rates, your premiums may be more affordable. Premium rates are guaranteed through March 1, 2020 and will change only if you make changes to your coverage.
- You can choose one of three benefit increase options that will allow you to increase your coverage over time to help protect against the rising cost of care.

For more information, call Genworth Life toll free at 1-866-859-6060 or visit www.genworth.com/cov.

Deferred Members and Retirees

If you are a deferred member and have at least five years of service credit or if you are receiving a VRS retirement benefit, you are eligible to apply for the COV Voluntary Group Long Term Care Insurance Program, provided you are under age 80. Medical underwriting will be required. Visit www.genworth.com/cov for more information.

8

Frequently Used Terms

Activities of Daily Living

Certain activities are necessary for individuals to function on a daily basis without assistance. Your condition may be considered catastrophic or you may be eligible for long-term care benefits if you cannot perform at least two of the following six activities of daily living:

1. Bathing
2. Transferring, such as getting in and out of bed
3. Dressing
4. Toileting (using the bathroom)
5. Continence
6. Eating (ability to feed oneself)

Catastrophic Condition

A catastrophic condition is so severe that you are unable to perform at least two of six activities of daily living without substantial assistance or you have a severe cognitive impairment, such as Alzheimer's disease, that requires substantial supervision.

Claim Review

VRS has contracted with Unum as the third-party administrator for the Virginia Sickness and Disability Program (VSDP). Unum reviews all claims for VSDP benefits and notifies you in writing of the approval or denial of your claim. Call Unum toll free at 1-800-652-5602.

VRS has contracted with the following third-party administrators for the long-term care programs:

- If you file a claim under the VSDP Long-Term Care Plan, your claim will be reviewed by the Long Term Care Group, Inc. Call toll free 1-800-761-4057.
- If you file a claim under the Commonwealth of Virginia (COV) Voluntary Group Long Term Care Insurance Program, your claim will be reviewed by Genworth Life. Call toll free 1-866-859-6060.

Cognitive Disability

A cognitive disability is a loss or deterioration in intellectual capacity. An example is Alzheimer's disease.

Disability	Under VSDP, a disability is a condition that prevents you from working or performing the full duties of your job for a short or extended period of time. The disability may be non-work related or work-related. A work-related disability is the result of an occupational illness or injury that occurs on the job and the cause is determined to be compensable under the Virginia Workers' Compensation Act.
Disability Credits	<p>If you were hired before January 1, 1999 and elected coverage under VSDP during one of two enrollment periods, you had the option to convert your accumulated sick leave into disability credits or purchase VRS service credit. If you have these credits, you can use them to bring income replacement of 80 percent or 60 percent to 100 percent while on disability. If you go on long-term disability, you must use these credits. Eight disability credits equal one day of 100 percent income replacement.</p> <p>If you leave employment, you will be paid for 25 percent of any unused credits, up to \$5,000. If you retire, you can elect to receive the cash payment or convert unused disability credits to VRS service credit toward calculating your retirement benefit.</p>
Eligibility Periods	<p>If you were hired or rehired on or after July 1, 2009, you become eligible for non-work related disability coverage after one year of continuous employment. Your eligibility for sick leave, family and personal leave, work-related disability coverage and the VSDP Long-Term Care Plan is effective from the first day of employment.</p> <p>After five years of continuous employment, you become eligible for income replacement beginning at 100 percent of your pre-disability income, which reduces to 80 percent and then 60 percent. The amount of the reduction depends on your months of career service, how long you are out and whether your condition is non-work related or work-related.</p>
Licensed Treating Healthcare Professional	Under VSDP, a licensed treating healthcare professional means a doctor of medicine or osteopathy who is licensed to practice medicine or surgery. Licensed podiatrists, optometrists, chiropractors, clinical psychologists and clinical social workers also are considered licensed treating healthcare professionals.
Major Chronic Condition	A major chronic condition is a life-threatening health condition that exists over a prolonged period of time and is not expected to improve.
Partial Disability	If you have a partial disability, you have the capacity to perform some work, such as working part time in your current job or in a different position. If you have a total disability, you cannot work at all.
Plan 1	You are covered under the provisions of Plan 1 if your membership date is before July 1, 2010. You may be an active or deferred member. You are an active member if you are currently working in a covered position. You are a deferred member if you are not currently working in a covered position but have not withdrawn your funds and have service credit in VRS or have been maintaining an account balance in a Virginia optional retirement plan since before July 1, 2010. If you are a deferred member and return to covered employment, you will be rehired under Plan 1.

Plan 2	You are covered under the provisions of Plan 2 if your membership date is July 1, 2010 or later. If you were previously employed in a covered position before July 1, 2010 and withdrew your funds, you will be rehired under Plan 2 if you return to covered employment with no service credit in VRS or no account balance in a Virginia optional retirement plan.
Pregnancy	VSDP provides up to six weeks of post-partum income replacement following a normal delivery or C-section.
Rehabilitation Plan	If you need medical or vocational rehabilitation to return to work, Unum will work with you, your licensed treating healthcare professional and your employer to develop a plan. This plan is not the same as a therapeutic treatment plan such as physical therapy, which your doctor may prescribe as part of your treatment regimen.
Transitional Plan	If you can perform some of your duties but are not ready to resume your full schedule, Unum will work with you, your licensed treating healthcare professional and your employer to develop a transitional plan to help you return to work gradually. The plan will be based on the activities you can safely perform and must be approved by your employer.
Waiting Period	Before going on short-term disability, you must satisfy a waiting period of seven calendar days from the beginning of your disability. The VSDP benefit begins on the eighth day of your disability. You do not have to wait until the end of the seven calendar-day waiting period to file a claim for a short-term disability benefit. If you have a catastrophic or major chronic condition, this waiting period may be waived.

VRS Plan 1&2



VRS Plan 1&2



Virginia Retirement System • 1200 East Main Street • P.O. Box 2500 • Richmond, VA 23218-2500
www.varetire.org • 1-888-VARETIR (1-888-827-3847) • TDD: 804-344-3190

Virginia Sickness and Disability Program (VSDP) Handbook for State Employees

The following update has been made to the *Virginia Sickness and Disability Program Handbook for State Employees* since it was last published. Refer to this information when reading the online version of this handbook. **Changes are in bold.**

Page 34: Under Outside Income or Other Benefit Payments, “military” is deleted from the third bullet and a note added to reflect legislation effective March 30, 2012:

Your VSDP benefit will be adjusted by the following payments:

- Income or wages reported on W-2 forms
- Income from self-employment
- Federal, ~~military~~, state or local disability program payments for the same condition, excluding cost-of-living adjustments (COLAs). **Note: The VSDP benefit will not be offset by any military disability payments you receive for the same condition.**