Virginia Retirement System

Virginia Local Disability Program

Handbook for Employees in the VRS Hybrid Retirement Plan whose School Division or Political Subdivision Participates in VLDP

PROVIDING INFORMATION ABOUT YOUR...

- disability coverage
- long-term care benefits
- resources

Virginia Retirement System

Virginia Local Disability Program (VLDP)

Handbook for Employees in the VRS Hybrid Retirement Plan whose School Division or Political Subdivision Participates in VLDP

The Virginia Local Disability Program (VLDP) 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 VLDP in conjunction with Reed Group, the third-party administrator for the program, and your employer.

CONTACT REED GROUP

www.reedgroup.com/vldp-claims • 1-877-928-7021

Mailing Address: Reed Group,
P.O. Box 6248, Broomfield, CO 80021

CONTACT VRS

www.varetire.org/hybrid • 1-855-291-2285
TDD: 804-289-5919

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. Certain provisions as described are subject to pending technical legislative amendments.

* You may be enrolled in a comparable disability program provided by your employer. Contact your human resource office for more information.

Member Resources

Quick reference

Benefit Information and Planning Resources

- VRS website at *www.varetire.org/hybrid* provides information about the Hybrid Retirement Plan, your disability coverage and other benefits as well as forms and publications.
- 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/hybrid* for directions to VRS and the parking deck; the first hour of parking is free.
- Questions? Contact your human resource office or call toll-free at 1-855-291-2285.

Key Contacts

- Commonwealth of Virginia (COV) Voluntary Group Long-Term Care Insurance Program: Genworth Life, 1-866-859-6060; *www.genworth.com/cov*
- Group Life Insurance Program: Minnesota Life, 1-800-441-2258
- Social Security Administration: 1-800-772-1213; *www.ssa.gov*
- Virginia Local Disability Program (VLDP): Reed Group, 1-877-928-7021; *www.reedgroup.com/vldp-claims*
- VLDP Long-Term Care Plan: Long-Term Care Group, Inc., 1-800-761-4057
- Virginia Workers' Compensation Commission: 1-877-664-2566; *www.vwc.state.va.us*

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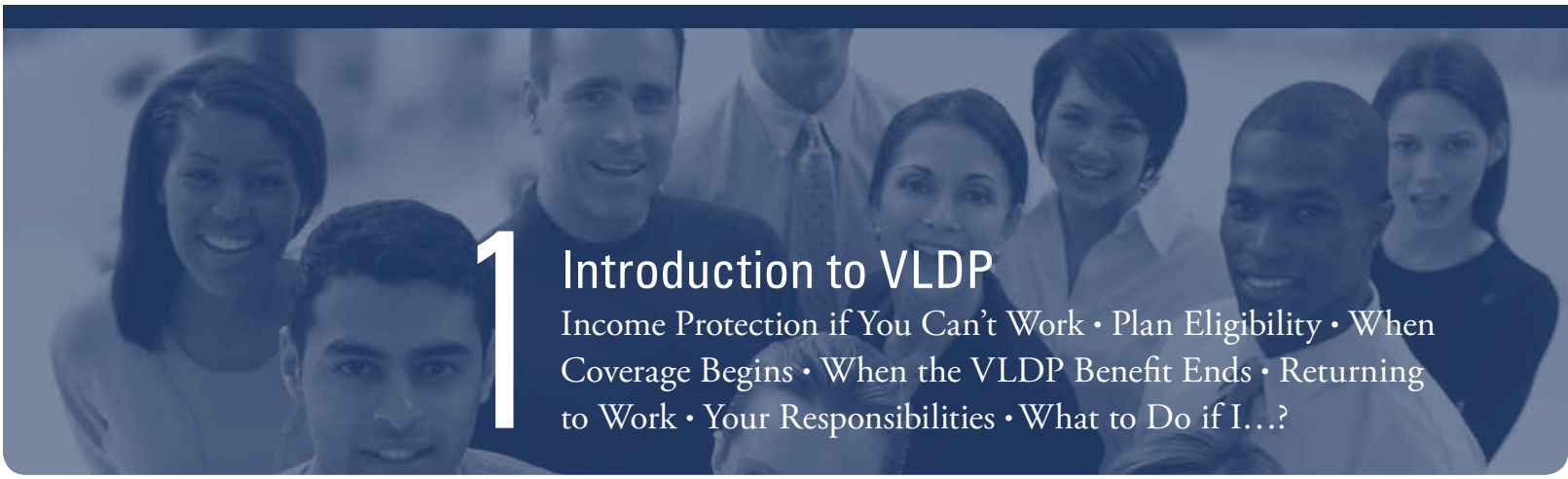


1 Introduction to VLDP

Income Protection if You Can't Work • Plan Eligibility • When Coverage Begins • When the VLDP Benefit Ends • Returning to Work • Your Responsibilities • What to Do if I…?

If you are covered under the Virginia Retirement System (VRS) Hybrid Retirement Plan, you have disability benefits under the Virginia Local Disability Program (VLDP), or a comparable program provided by your employer. This handbook describes benefits under VLDP. If you are in a comparable program, contact your human resource office for more information about your disability benefits.

What Is a Disability?

Under VLDP, 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. VLDP 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.

Income Protection if You Can't Work

VLDP 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. VLDP benefits include:

- Short-term and long-term disability coverage for total and partial disabilities
- 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 (SSDI) benefits

VRS has overall responsibility for VLDP. This includes managing the trust fund to provide for long-term disability benefits and overseeing the administration of VLDP claims.

VRS has contracted with Reed Group as the third-party administrator to receive and review all VLDP claims. For more information about filing a claim, see Chapter 4-Applying for VLDP. Also, be sure to review the information on waiting periods and eligibility periods in Chapter 2-Short-Term Disability Coverage.

Plan Eligibility

If you were hired as a member of the Hybrid Retirement Plan on or after January 1, 2014 in one of the following positions, you are covered under the Virginia Local Disability Program (VLDP) upon employment:

- Teacher or other employee of a local public school division
- General employee of a VRS-participating political subdivision such as a city, county, town, authority or commission
- Local law enforcement officer, firefighter or emergency medical technician if your employer does not provide enhanced hazardous duty benefits

If you were hired before January 1, 2014 and elected to transfer to the Hybrid Retirement Plan from the VRS Plan 1 or the VRS Plan 2, your coverage in the plan and in VLDP was effective July 1, 2014. If you left employment and took a refund of your Plan 1 or Plan 2 member contributions and interest, or withdrew your full account balance from an ORP authorized or administered by VRS, you will be rehired under the Hybrid Retirement Plan if you return to a position covered under the plan.

You are not eligible for VLDP if:

- You are a state employee
- You are a member of the State Police Officers' Retirement System (SPORS) or the Virginia Law Officers' Retirement System (VaLORS)
- You are a local law enforcement officer, firefighter or emergency medical technician covered under enhanced hazardous duty benefits

Visit *www.varetire.org/hybrid* for more information about your retirement plan and disability coverage.

When Coverage Begins

Qualifying for Benefits

There are qualifying periods for coverage:

Seven-Calendar Day Elimination Period	If your claim for short-term disability is approved, the benefit will begin on the eighth calendar day of your disability. Check with your human resource office about leave policies for absences during the elimination period. If you work 20 hours or fewer during the first seven days of your disability, you will have satisfied the elimination period. If you have a catastrophic or major chronic condition, the seven-calendar day elimination period may be waived. **If you have scheduled a medical procedure or are pregnant and know your due date, do not wait until after the seven-calendar day elimination period to file a claim.** Although you must satisfy the seven-calendar elimination period, notify your supervisor and call Reed Group as soon as possible. See Chapter 4-Applying for VLDP Benefits for more information.
One-Year Waiting Period for Non-Work-Related Short-Term Disability Coverage	After one year of continuous participation in VLDP with your current employer, you will become eligible for non-work-related short-term disability coverage. You may want to consider purchasing an individual policy to ensure you have coverage during your waiting period. If you move to another employer that provides VLDP or to a state position covered under the Virginia Sickness and Disability Program (VSDP), you will be required to satisfy another one-year waiting period for non-work-related short-term disability.
Work-Related Short-Term Disability Coverage	You are eligible for work-related short-term disability coverage upon employment.
Five-Year Eligibility Period for Higher Income Replacement Levels	After five years of continuous participation in VLDP with your current employer, you will become eligible for higher income replacement levels. During the first five years, you are eligible for 60 percent of your pre-disability income plus an adjustment for catastrophic conditions, as determined by Reed Group, if you go on disability. If you move to another employer that provides VLDP or a comparable disability program, or to a state position covered under the Virginia Sickness and Disability Program (VSDP), you will be required to satisfy another five-year eligibility period for higher income replacement levels.

When the VLDP Benefit Ends

Your disability benefit will end if:

- You are able to perform the full duties of your job without restrictions;
- You are determined to be no longer medically eligible;
- You leave covered employment or are involuntarily separated from employment;
- You take a refund of your member contributions and interest in the defined benefit component of your plan;
- You retire; or
- You do not cooperate or comply with the requirements of VLDP.

If you die while on disability, the VLDP benefit will not continue to a beneficiary or survivor. However, your beneficiary or survivor may be eligible for a death-in-service benefit under the defined benefit component of your plan as well as a distribution from your defined contribution account. There are a variety of distribution options. For more information about the VRS Hybrid Retirement Plan, visit *www.varetire.org/hybrid*.

Returning to Work

VLDP focuses on assisting you with a safe return to employment if you are able. Reed Group, the third-party administrator for VLDP, 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 or walking and how many pounds you can lift or carry. Your employer may have 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.

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.

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. Reed Group, in consultation with your licensed treating healthcare professional, may help design a transitional plan, which is subject to your employer's approval. While working on a transitional basis, you will continue to receive your VLDP benefit. The benefit amount will be reduced by any income you receive for the hours you are able to work. For more information, see Chapter 5-Adjustments to the VLDP Benefit.

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:*

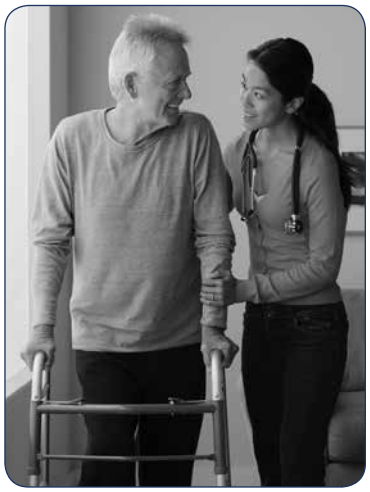
- Your work area may be modified to accommodate your return to work.
- You may be able to work in a different position with the same or a different employer (you will receive training to qualify for the position, if applicable).
- You may need to accept a position not covered under VLDP or VRS.

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.

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 VLDP benefits and how you qualify for them.
- Contacting your employer and Reed Group 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 Reed Group.
- Ensuring Reed Group receives medical information in a timely manner.
- Reporting any changes in your disability to your human resource office and Reed Group 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 Reed Group or your employer.
- Cooperating with a transitional, medical or vocational rehabilitation plan if one is arranged as part of your return to work.



When the VLDP 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...

Important note if you move to another employer or leave your job and then return to covered employment: If you move to another school division or political subdivision providing VLDP coverage, you will be required to satisfy new eligibility periods for non-work-related disability and higher income replacement levels. This also applies if you leave and then return to your former position after a bona fide break in service. A bona fide break in service is a break of at least one full calendar month from your last day of employment over a period you normally would work. For more information about changing employers, see Non-Work-Related Disability in Chapter 2-Short-Term Disability Coverage.

What to Do if I...	See...
Am sick, injured or having a minor procedure and will be out for several days? Check with your human resource office about your employer's leave policies during periods of disability. If you are out for more than seven consecutive calendar days, you may file a claim for short-term disability through Reed Group, the third-party administrator. The short-term disability benefit begins on the eighth day of your disability. If your claim is non-work-related, you must satisfy a one-year eligibility period with your current employer before you are eligible for coverage under VLDP. Your eligibility for work-related disability coverage begins upon employment.	Chapter 2-Short-Term Disability Coverage Chapter 4-Applying for VLDP
Am ill or injured and will be out for a while? Notify your employer and file a claim for short-term disability with Reed Group as soon as possible. Your human resource office, a family member or friend may file a claim on your behalf.	Chapter 2-Short-Term Disability Coverage Chapter 4-Applying for VLDP
Am having a medical procedure or know my due date if I am pregnant? As soon as you know when you expect to be out, let your employer know and call Reed Group to start the claim process. Do not wait until the seven-calendar day elimination period to file a claim.	Chapter 2-Short-Term Disability Coverage Chapter 4-Applying for VLDP
Am not getting better? If your condition does not improve or worsens, you and your licensed treating healthcare professional should contact Reed Group. Your human resource office, a family member or friend can coordinate with your doctor's office and call Reed Group on your behalf. If your disability continues beyond 125 workdays, you may be placed on long-term disability, as determined by Reed Group.	Chapter 3-Long-Term Disability Coverage Chapter 4-Applying for VLDP
Suffer a work-related illness or injury? To qualify for a work-related VLDP benefit, your illness or injury must be considered compensable under the Virginia Workers' Compensation Act. If you receive a workers' compensation award, your VLDP benefit will be offset by your workers' compensation benefit.	Chapter 2-Short-Term Disability Coverage Chapter 3-Long-Term Disability Coverage Chapter 5-Adjustments to the VLDP Benefit

Need long-term care?
Call the Long-Term Care Group, Inc. to file a claim for benefits under the VLDP Long-Term Care Plan within 60 days of certification by a licensed healthcare professional that you qualify for benefits. Your human resource office, a family member or friend may file a claim on your behalf.

Benefits include nursing home care, transitional care and in-home care, among other covered services. If you are enrolled in the Commonwealth of Virginia (COVA) Voluntary Group Long-Term Care Insurance Program, you also can file a claim for benefits by calling Genworth Life.

Chapter 6-Long-Term Care Programs

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 go on disability at age 60 or older, there is a limit on the amount of time you can receive VLDP benefits, depending on your age when you become disabled. Once this period expires, you must service retire to continue to receive a monthly benefit.

Chapter 2-Short-Term Disability Coverage

File a claim and my claim is denied?
You will receive a letter from Reed Group approving or denying your claim. If your claim is denied, the letter will include information on the appeal process.

Chapter 4-Applying for VLDP

Questions about VLDP?
This handbook describes your benefits under the Virginia Local Disability Program (VLDP). If you have additional questions, contact your human resource office or call VRS toll-free at 1-855-291-2285. If you are enrolled in a comparable disability program provided by your employer, contact your human resource office for more information about your benefits.

Claims Contact Information:

- VLDP claims: Call Reed Group toll-free at 1-877-928-7021 or visit *www.reedgroup.com/vldp-claims.*
- VLDP Long-Term Care Plan claims: Call the Long-Term Care Group, Inc. toll-free at 1-800-761-4057.
- Commonwealth of Virginia (COVA) Voluntary Group Long-Term Care Program claims: Call Genworth Life toll-free at 1-866-859-6060 or visit *www.genworth.com/cov*.

2 Short-Term Disability Coverage

What Is a Short-Term Disability? • Qualifying for Benefits • Non-Work-Related Short-Term Disability • Work-Related Short-Term Disability • Disability Coverage for Contract Employees • If You Have a Catastrophic or Major Chronic Condition • Successive Periods of Short-Term Disability • If You Go on Disability at Age 60 or Older • Other Benefit Coverage While on Short-Term Disability

What Is a Short-Term Disability?

Under the Virginia Local Disability Program (VLDP), 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 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 or your employer's workers' compensation program.

VLDP coverage includes six weeks of post-partum income replacement following a normal delivery or C-section.

Scheduling a Medical Procedure? Know Your Due Date if You are Pregnant?
If you know when you will be out, notify your employer and file a claim with Reed Group as soon as possible. Although the short-term disability benefit will begin on the eighth day of your disability, do not wait until the seven-calendar day elimination period to file a claim. Call Reed Group toll-free at 1-877-928-7021. See also Chapter 4-Applying for VLDP.

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 Reed Group. For more information, see Chapter 3-Long-Term Disability Coverage.

Qualifying for Benefits

Seven-Calendar Day Elimination Period

The short-term disability benefit begins after seven consecutive calendar days from the first day of your disability. Check with your human resource office about leave policies for absences during the seven-calendar day elimination period. If you work 20 hours or fewer during the first seven days, you will have satisfied this period. If you have a catastrophic or major chronic condition, this period may be waived.

One-Year Waiting Period for Non-Work-Related Short-Term Disability Coverage

You become eligible for non-work-related short-term disability coverage after one year of continuous participation in VLDP with your current employer. Continuous program participation is based on full-time salaried service with your current employer. It includes military leave and reduced hours or job restrictions while on disability. It also may include furloughs, layoffs or other types of leave. Contact your human resource office for more information about your employer's policies.

You are eligible for work-related short-term disability coverage upon employment.

Non-Work-Related Coverage During Your One-Year Waiting Period

You may want to consider purchasing an individual policy to ensure you have coverage during your waiting period.

Five-Year Eligibility Period for Higher Income Replacement Levels

During your first five years of continuous participation in VLDP with your current employer, you are eligible for 60 percent of your pre-disability income if you go on non-work-related or work-related short-term disability. Once you have satisfied this eligibility period, you are eligible for higher income replacement levels. See the Days of Income Replacement tables in this chapter.

If You Purchase Prior Service

If you purchase prior public service, you will receive credit for this service toward your retirement and other benefits under the defined benefit component of your plan. However, prior service credit does not count toward satisfying the one-year waiting period for non-work-related short-term disability and the five-year eligibility period for higher income replacement levels.

If You Change Jobs

If you move to a position with another employer providing VLDP or a comparable disability program, you will be required to satisfy a new one-year waiting period for non-work-related short-term disability coverage and a new five-year eligibility period for higher income replacement levels beginning with your new hire date. This also applies if you leave covered employment and then return to a position eligible for VLDP with another employer. Refer to the Days of Income Replacement tables in this chapter.

If you leave covered employment and then return to your former position after a bona fide break in service, you will be required to satisfy a new one-year waiting period for non-work-related short-term disability coverage and a new five-year eligibility period for higher income replacement levels beginning with your subsequent hire date.

If you return to your former position before the end of a bona fide break in service, you will be considered continuously employed in your current position. You will resume continuous participation in VLDP toward the one-year waiting period for non-work-related short-term disability and the five-year eligibility period for higher

income replacement levels. Or, if you satisfied these qualifying periods before you left your position, you will not be required to satisfy them again. Refer to the Days of Income Replacement tables in this chapter.

What is a Bona Fide Break in Service?

A bona fide break in service is a break of at least one full calendar month from your last day of employment that occurs over a period you normally would work. Periods of leave with or without pay and summer breaks do not count toward satisfying this break in service.

If you are hired in a political subdivision position eligible for enhanced hazardous duty coverage, you will not be enrolled in the Hybrid Retirement Plan and therefore not covered under VLDP. You will be eligible for a disability retirement option if you qualify. For more information, refer to the VRS Disability Retirement Handbook for Members or visit *www.varetire.org.*

If you are hired in a state position, you will be enrolled automatically in the Virginia Sickness and Disability Program (VSDP) for state employees. Under VSDP, you will be required to satisfy a new one-year waiting period for non-work-related short-term disability coverage and a new five-year eligibility period for higher income replacement levels beginning with your hire date. For more information, refer to the Virginia Sickness and Disability Handbook for State Employees or visit *www.varetire.org.*

Non-Work-Related Short-Term Disability

After the One-Year Waiting Period

You are eligible for income replacement at 60 percent of your pre-disability income if you go on non-work-related short-term disability. After five years of continuous participation in VLDP with your current employer, 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 continuous program participation with your current employer and how long you are out as shown in the following table:

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

Months of Continuous 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

**Contact your human resource office about leave policies and income replacement during periods of non-work-related short-term disability.*

Work-Related Short-Term Disability

You are eligible for work-related short-term disability coverage from the first day of employment. To qualify for a VLDP 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. Contact your employer about your workers' compensation benefits and assistance with filing a workers' compensation claim.

You are eligible for income replacement at 60 percent of your pre-disability income if you go on work-related short-term disability. After five years of continuous participation in VLDP with your current employer, 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 continuous program participation with your current employer and how long you are out as shown in the following table:

Days of Income Replacement: Work-Related Disability

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

**Contact your human resource office about leave policies and income replacement during periods of work-related short-term disability.*

If you receive a workers' compensation award, your VLDP benefit will be offset by your workers' compensation benefit. Because of this offset, you will not receive a VLDP benefit if your workers' compensation is greater than your VLDP benefit amount.

You may be eligible to purchase service credit for the period you are on workers' compensation. If you go on work-related short-term disability receiving only a workers' compensation benefit and retirement contributions are not being withheld from your workers' compensation payment, you may be eligible to purchase service credit for this period. For more information, contact your human resource office.

If You Have a Partial Disability

A partial disability means you have a condition that allows you to perform some of your duties or work on a part-time basis. You are eligible to apply for short-term or long-term disability benefits for a partial disability if you are earning less than 80 percent of your pre-disability income. Earnings from your job during this period will be offset by the amount of your short-term or long-term disability benefit.

If you apply for VLDP benefits for a partial disability, you must satisfy the seven-calendar day elimination period. For more information about filing a claim, see Chapter 4-Applying for VLDP.

Disability Coverage for Contract Employees

If you are on a nine-, 10- or 11-month contract, you are eligible to receive VLDP benefits during contract periods only. If your contract is not renewed, your eligibility for VLDP will end when your current contract ends.

Non-contract periods count toward satisfying the one-year waiting period for non-work-related short-term disability coverage and the five-year eligibility period for higher income replacement levels. For more information, see Qualifying for Benefits in this chapter.

Disability Benefits During Non-Contract Periods

If you are on disability before the end of your current contract, your disability benefits will stop when your current contract ends. If you are still disabled at the beginning of your next contract and remain medically eligible as determined by Reed Group, you will resume your benefits. If you file a claim during your non-contract period, the time you are disabled will count toward the seven calendar-day elimination period, but will not count toward the 125-work day period for short-term disability and your days of income replacement.

Example 1:

An employee started work September 1, 2014 on a contract ending June 30, 2015, and has received contract renewals since then. The employee suffers a non-work-related injury on June 13, 2016 and is approved for short-term disability benefits beginning June 20, the eighth consecutive calendar day of the disability.

- If the employee is still disabled when the current contract ends on June 30, 2016, disability benefits will stop.
- If the employee is still disabled by the time the next contract starts September 1, 2016, the disability benefits will resume.

If you become disabled during your non-contract period, you will not be required to apply for disability benefits as you will have fulfilled your contract and employment responsibilities for the year. If your disability prevents you from returning to work at the start of your new contract period, you may file a claim with Reed Group at that time (see Chapter 4-Applying for VLDP for more information). Your date of disability will remain the same. Day one of the seven-calendar day elimination period will be your date of disability. Your benefit will begin on the start of your new contract period or on the eighth day following the elimination period, whichever is greater. You will be eligible for the entire 125-work day period for short-term disability from your benefit begin date.

Example 2:

An employee started work September 1, 2014 on a contract ending June 30, 2015, and has received contract renewals since then. The employee suffers a non-work-related injury on July 13, 2020, during the non-contract period, and immediately files a claim for non-work-related short-term disability with Reed Group, which is approved. However, because the injury was suffered during the non-contract period, the employee is not eligible to receive benefits at this time.

- If the employee is still disabled when the new contract begins on September 1, 2020, disability benefits will begin on this date, provided the employee remains medically eligible. The seven consecutive calendar days the employee was injured between July 13 and July 19 means the seven-calendar day elimination period was satisfied.
- The employee already satisfied the five-year eligibility period for higher income replacement levels. The employee's disability benefits will begin at 100 percent of income replacement since non-contract periods do not count toward the 125 days of income replacement.

If You Have a Catastrophic or Major Chronic Condition

Catastrophic Condition

If Reed Group, in consultation with your licensed treating healthcare professional, determines your condition is catastrophic, the seven-calendar day elimination period will be waived. In addition, you will 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:

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 requiring substantial supervision to protect you from threats to health and safety. For more information about coverage for catastrophic conditions, call Reed Group toll-free at 1-877-928-7021 or visit *www.reedgroup.com/vldp-claims.*

Major Chronic Condition

If Reed Group, in consultation with your licensed treating healthcare professional, determines that your disability is the result of a major chronic condition, the seven-calendar day elimination 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 Reed Group 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 or similar 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-time, full-duty release from your licensed treating healthcare professional and then go out again for the same or a similar 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 elimination 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 full time, full duty performing your normal job duties with a full release from your licensed treating healthcare professional and then go out again for the same or a similar condition on the 45th consecutive calendar day or after, the subsequent period will be considered a new claim. You must contact Reed Group to file a new claim and satisfy a new seven-calendar day elimination period. If your claim is approved, you will have up to 125 workdays of short-term disability coverage.

Absences During the 45-Day Period

If you miss a full day of work for any reason during the 45-day period and seek medical treatment on that day for the same condition, you must satisfy a new 45-day period. Reed Group will advise you if you need to file a new claim for the same condition. Contact your human resource office for more information.

If You Go on Disability at Age 60 or Older

If you are approved for short-term or long-term disability at age 60 or older, you will be eligible for a benefit according to the following schedule, provided you remain medically eligible. After you reach your maximum eligibility for a benefit, you must service retire to continue to receive a monthly benefit:

	Maximum Length of the VLDP Benefit
Age 60-64	Five years from the date disability benefit begins
Age 65-68	Until age 70
Age 69 or older	One year from the date disability benefit begins

Note: You are not retired when you are on long-term disability. You can retire for service when you meet the age and service requirements for your plan, unless you are receiving workers' compensation benefits. More information about qualifying for service retirement under the VRS Hybrid Retirement Plan is available at *www.varetire.org/hybrid.*

Other Benefit Coverage While on Short-Term Disability

Hybrid Retirement Plan Service and Contributions	Defined benefit component. While you are on short-term disability, you will continue to contribute 4 percent of your compensation each month to your member contribution account on a pre-tax salary reduction basis unless you are receiving only a workers' compensation benefit. If you are on work-related short-term disability, receiving only a workers' compensation benefit and the contribution cannot be withheld from your payment because your employer does not have control over deductions, the contribution will not be withheld and you will not receive service credit. You will be eligible to purchase this missing time. The *Code of Virginia* prohibits members from borrowing from their member contribution accounts. Defined contribution component: Hybrid 401(a) Cash Match Plan and Hybrid 457 Deferred Compensation Plan. While you are on short-term non-work-related disability, you will continue to contribute the mandatory 1 percent member contribution and your employer will continue to contribute the mandatory 1 percent employer contribution to your Hybrid 401(a) Cash Match Plan. You also remain eligible to make voluntary contributions to your Hybrid 457 Deferred Compensation Plan. Distributions from the Hybrid 401(a) and Hybrid 457 plans for a hardship or unforeseen emergency are prohibited by the *Code of Virginia*. If you are on work-related short-term disability and receiving only a workers' compensation benefit and contributions cannot be withheld because your employer does not have control over the deductions, no contributions will be credited to your Hybrid 401(a) Cash Match Plan or Hybrid 457 plans. More information about the VRS Hybrid Retirement Plan is available at *www.varetire.org/hybrid* . *NOTE*: If you are determined by the Social Security Administration to be permanently and totally disabled and are on work-related disability, no contributions will be withheld from your payment. You will be credited with the mandatory 1 percent employer contribution to your Hybrid 401(a)Cash Match Plan.
Employer-Sponsored Tax-Deferred Savings and Supplemental Retirement Plans	If you are contributing to an employer-sponsored tax-deferred savings or supplemental retirement plan, your contributions may continue while you are on short-term disability. You also may be eligible for a distribution for a hardship or unforeseen emergency. Contact your human resource office for more information about your contributions if you participate in an employer-sponsored plan.
Leave	Contact your human resource office about your employer's leave policies during periods of short-term disability.
Health Insurance	If your employer provides health insurance coverage, your coverage will continue while you are on short-term disability.
Other VRS Benefits	Group life insurance. If you are covered under the VRS Group Life Insurance Program, your basic group life insurance will continue as long as you or your employer continues to pay the member premium. If you have optional group life insurance coverage, your payroll deductions to pay the premiums also will continue. If you have a question about your life insurance coverage while on short-term disability, call Minnesota Life toll-free at 1-800-441-2258. Death-in-service benefits. The VLDP benefit is not payable to a beneficiary or survivor if you die while you are on disability. However, your beneficiary or your spouse, natural or legally adopted minor child or parent may be eligible for a death-in-service benefit under the defined benefit component of your plan and a distribution from your defined contribution account, in addition to life insurance benefits.. There are a variety of distribution options. More information about other VRS benefits is available at *www.varetire.org/hybrid.*

3 Long-Term Disability Coverage

What Is a Long-Term Disability? • Successive Periods of Long-Term Disability • Other Benefit Coverage While on Long-Term Disability

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 VLDP 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 or your employer's workers' compensation program.

Income Replacement

If you are approved for long-term disability, you will receive 60 percent of your pre-disability income. If you are approved for work-related long-term disability, your VLDP benefit will be offset by your workers' compensation benefit. Because of this offset, you will not receive a VLDP benefit if your workers' compensation is greater than your VLDP benefit amount. See your human resource office about your workers' compensation benefits and assistance with filing a workers' compensation claim.

Social Security Disability Insurance Benefits

If you become disabled, you may be required to apply for Social Security Disability Insurance (SSDI) benefits. Your VLDP benefit will be offset by the SSDI benefit at your applicable income replacement level. Reed Group will assist you in applying for SSDI and appealing your claim if it is denied. For more information about coordinating VLDP and SSDI benefits, see Chapter 5-Adjustments to the VLDP Benefit.

Successive Periods of Long-Term Disability

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

Within 180 consecutive calendar days. If you go on long-term disability, return to work full time, full duty with a release from your licensed treating healthcare professional and then go out again for the same or a similar 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 VLDP coverage and then go out again for the same or a similar 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 Reed Group to file a new claim and satisfy a new seven-calendar day elimination period. If your claim is approved, you will have up to 125 workdays of short-term disability.

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.

Other Benefit Coverage While on Long-Term Disability

Contributions	Defined benefit component. The 4 percent member contribution will stop while you are on long-term disability. You also will be ineligible to purchase prior service. If you are on work-related disability receiving only a workers' compensation benefit, contact your human resource office for more information about your member contributions. Defined contribution component. The mandatory 1 percent member contribution to your Hybrid 401(a) Cash Match Plan will stop while you are on long-term disability. You also will be ineligible to make additional voluntary contributions to your Hybrid 457 Deferred Compensation Plan. If you are totally and permanently disabled and qualify for Social Security Disability Insurance (SSDI) benefits, your employer will continue to make the mandatory 1 percent employer contribution to your Hybrid 401(a) plan. For more information about SSDI, see Chapter 5-Adjustments to the VLDP Benefit. Distributions from the Hybrid 401(a) and Hybrid 457 plans for a hardship or unforeseen emergency are prohibited under Internal Revenue Service (IRS) requirements. More information about the VRS Hybrid Retirement Plan is available at *www.varetire.org/hybrid* .
VRS Service Credit	You continue to accrue VRS service credit while on long-term disability. VRS members earn service credit for each month they are reported in a covered position. Service credit also may include credit for prior service a member may have purchased or additional service credit granted by an employer. Service credit is one of the factors used to calculate the VRS retirement benefit and determine eligibility for retiree benefits.
Leave	Contact your human resource office about your employer's leave policies during periods of long-term disability.
Health Insurance	If your employer provides health insurance coverage to employees on disability or retirees, or if your employer is self-insured, you may continue your coverage by paying the premiums to the carrier. The premiums will be at the same group rate. Contact your human resource office for more information.
Health Insurance Credit	If you go on long-term disability, you will be eligible for the health insurance credit if your employer participates in this program. 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, while receiving a long-term disability benefit, if your employer participates in the program. A Request for Health Insurance Credit (VRS-45) will be included in the VLDP introductory packet you will receive from Reed Group. If your employer participates in the program and 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. *continued*

Other Benefit Coverage While on Long-Term Disability (cont.)

Other VRS Benefits	Group life insurance. If you are covered under the VRS Group Life Insurance Program, your basic group life insurance coverage will continue while you are on long-term disability. 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. The VLDP benefit is not payable to a beneficiary or survivor if you die while you are on disability. However, your beneficiary may be eligible for a VRS death-in-service benefit. The benefit may be a lump-sum payment of any contributions remaining in your member defined benefit plan account or a monthly payment, in addition to a lump-sum payment of contributions in your 457 Plan or 403(b) plan. For more information about other VRS benefits, visit *www.varetire.org/hybrid*..
Optional Deferred Compensation Plan	If your employer participates in the Commonwealth of Virginia 457 Deferred Compensation Plan or a 403(b) plan, you cannot contribute to the plan while you are on long-term disability. You may be eligible to take a distribution (payment) from your deferred compensation plan.
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. If you reach your normal retirement age while on long-term disability your benefit will stop. Normal retirement age under the Hybrid Retirement Plan is when you reach your normal Social Security retirement age and have at least 60 months of service credit, or when your age and service equal 90. Once you have received VLDP benefits for five years, you are no longer eligible for VLDP benefits and, if eligible, you may service retire.

For more information about your VRS benefits, visit *www.varetire.org/hybrid* or review the current *Handbook for Members* for the Hybrid Retirement Plan. You also can contact your human resource office or call VRS toll-free at 1-855-291-2285.

4 Applying for VLDP

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

Call Reed Group toll-free at 1-877-928-7021 as soon as possible.

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

- Job title and employer name
- 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

Note

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

Step Two

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

Complete and return the following forms to your licensed treating healthcare professional and Reed Group:

- Attending Physician Statement. Reed Group will submit 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 Reed Group as soon as possible.

- Authorization for Release of Medical Information. Submit this form to allow Reed Group access to information about your medical care.

If Your Licensed Treating Healthcare Professional Does Not Respond

Reed Group will fax an Attending Physician 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 Reed Group does not receive a response from your provider, you will receive the Attending Physician Statement to give to your healthcare professional. Your physician will have 10 days to mail or fax the form to Reed Group. The fax number is 1-720-456-4784 and is included on the form. If Reed Group does not receive the form within this period, your claim will be denied and your case closed.

Complete and return the following forms to your human resource office:

- Short-Term Disability Repayment Agreement. This agreement states that you will reimburse your employer for any overpayment of VLDP benefits while on short-term disability. Have this form notarized before returning it to your human resource office.
- VLDP Outside Earned Income Reporting for Short-Term Disability. Your disability benefit payment will be offset 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 Reed Group approving or denying your claim. If your claim is denied, the letter will include information about the appeal process.

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 Reed Group. Your human resource office, a family member or friend can assist you:

- Authorization for Release of Medical Information. Submit this form to allow Reed Group access to information about your medical care.
- Long-Term Disability Repayment Agreement. This agreement states that you will reimburse Reed Group for any overpayment of VLDP benefits while on long-term disability. Have this form notarized before returning it to Reed Group.
- VLDP Outside Earned Income Reporting for Long-Term Disability. Your disability benefit payment will be offset by any wages or salary you receive from any employment, including income reported on W-2 forms and income from self-employment.
- W-4 Form. Complete this form and return it to Reed Group to elect your tax filing options.

Confidentiality

Reed Group 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

5 Adjustments to the VLDP Benefit

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

VLDP 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. If you receive a workers' compensation award, your VLDP benefit will be offset by your workers' compensation benefit. Because of this offset, you will not receive a VLDP benefit if your workers' compensation award is greater than your VLDP benefit amount.

Filing a Workers' Compensation Claim

Your human resource office will assist you with your workers' compensation claim.

During your first five years of employment, you are eligible for income replacement at 60 percent of your pre-disability income. You will not receive a VLDP benefit unless your workers' compensation benefit is less than 60 percent of your pre-disability income or ends, or your income replacement increases to 80 percent for a catastrophic condition.

If you suffer a work-related illness or injury during your first year of employment, you must file a claim for workers' compensation benefits before you file a claim for VLDP. If you have not satisfied the one-year eligibility period for non-work-related disability coverage, Reed Group cannot begin paying you a work-related benefit until your workers' compensation claim has been approved.

Workers' Compensation Example: 100 Percent Income Replacement

Example: Carlos is eligible for a workers' compensation benefit and a VLDP 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
Weekly Workers' Compensation Benefit	$ 833.38

VLDP 100% WORK-RELATED BENEFIT CALCULATION	
Weekly Wage	$ 1,250.00
x 100% VLDP Income Replacement	x 1.00
Weekly VLDP Benefit at 100%	$ 1,250.00
× 33⅓% Adjustment to VLDP Benefit (66⅔% + 33⅓% = 100%)	x 0.3333
Weekly Supplemental VLDP Amount	$ 416.62
+ Weekly Worker's Compensation Benefit	$ 833.38
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 VLDP 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
Weekly Workers' Compensation Benefit	$ 833.38

VLDP 80% WORK-RELATED BENEFIT CALCULATION	
Weekly Wage	$ 1,250.00
x 80% VLDP Income Replacement	x .80
Weekly VLDP Benefit at 80%	$ 1,000.00

VLDP SUPPLEMENTAL BENEFIT CALCULATION	
Average Weekly Wage	$ 1,250.00
× 13⅓% Adjustment to VLDP Benefit (66⅔% + 13⅓% = 80%)	x 0.1333
Weekly Supplemental VLDP Amount	$ 166.62
+ Weekly Worker's Compensation Benefit	$ 833.38
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 VLDP 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
Weekly Workers' Compensation Benefit	$ 833.38*

VLDP 60% WORK-RELATED BENEFIT CALCULATION	EXAMPLE
Weekly Wage	$ 1,250.00
x 60% VLDP Income Replacement	x .60
Weekly VLDP Benefit at 60%	$ 750.00*

**Sam's workers' compensation benefit exceeds his 60 percent income replacement level. Therefore, he will not receive a VLDP 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 VLDP 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 VLDP benefit will offset 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 VLDP Benefit	$ 6,000.00
÷ Lump-Sum Amount per Week	÷ 600.00
Number of Weeks VLDP Benefit will offset Workers' Compensation Benefit	10 Weeks*

**John's VLDP benefit will be offset by the lump-sum workers' compensation settlement for 10 weeks. After 10 weeks, his VLDP benefit will be paid at the full income replacement level for which he is eligible at that time.*

Important Note About Reed Group's Advocacy Services

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

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 10 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 VLDP benefit for the same condition. Your VLDP claim will be reviewed separately. If you file a claim for VLDP and Reed Group determines that you also may be eligible for SSDI, Reed Group will provide free advocacy services to assist you with the SSDI application process and appeal process if your claim is denied. If your VLDP claim is approved, your VLDP benefit will begin while your claim for SSDI is in review. If your SSDI claim is approved, the VLDP benefit will be offset by the SSDI benefit.

VLDP and SSDI Benefit Calculation Example

Example: Martha is approved for long-term disability under VLDP 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 VLDP 60% Income Replacement	x .60
VLDP Long-Term Disability Monthly Benefit	$ 3,000.00
- SSDI Monthly Disability Benefit	- 1,000.00
Amount of Adjusted VLDP Benefit	$ 2,000.00
+ SSDI Monthly Disability Benefit	+ 1,000.00
Total Monthly Long-Term Disability Benefits at 60% Income Replacement	$ 3,000.00

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

Outside Income or Other Benefit Payments

The maximum amount of income replacement you can receive from all sources for a short-term disability is 100 percent of your pre-disability income, provided you have satisfied the five-year eligibility period for higher income replacement levels. For long-term disabilities, the maximum amount is 60 percent, unless you are diagnosed with a catastrophic or major chronic condition and qualify for income replacement at 80 percent of your pre-disability income. Therefore, if you are on disability and receive payments from the following sources, your VLDP benefit will be offset by additional payments according to your applicable income replacement level:

- Income or wages reported on W-2 forms
- Income from self-employment
- Federal, state or local government disability program payments for the same condition, excluding cost-of-living adjustments (COLAs)
- Workers' compensation, severance payments or unemployment compensation

Exception: The VLDP benefit is not offset by any disability insurance you purchase directly or by military disability payments you receive.

6 Long-Term Care Programs

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

Virginia Local Disability Program (VLDP) Long-Term Care Plan

As a participant in the Virginia Local Disability Program (VLDP), you are covered automatically under the VLDP Long-Term Care Plan. You pay no cost for this coverage while you are employed in a VLDP-covered position. The VLDP Long-Term Care Plan provides benefits if you need help with everyday life tasks because of a prolonged health problem or following a major illness or injury. The 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 caregiving
- 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; or
- You have a severe cognitive impairment requiring substantial supervision to protect you from threats to health and safety.

Waiting period. 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)

If You are in a Comparable Disability Plan Offered by Your Employer

Employers offering a disability plan comparable to VLDP are not required to provide employer-paid long-term care coverage. If you are in a comparable disability program, you are not eligible for the VLDP Long-Term Care Plan. Your employer may offer other disability coverage or participate in the Commonwealth of Virginia (COVA) Voluntary Group Long-Term Care Insurance Program, which is described in this chapter. For more information about long-term care programs your employer may offer, contact your human resource office.

VLDP Long-Term Care Plan Highlights

Plan Sponsor	The Virginia Retirement System (VRS) administers the long-term care program as part of the Virginia Local Disability Program (VLDP).
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 VLDP Long-Term Care Plan if you are enrolled in the Virginia Local Disability Program (VLDP).
Benefit Eligibility	You are eligible for benefits when a licensed healthcare practitioner certifies that you: • Are unable to perform at least two of six activities of daily living (see previous page); or • Have a severe cognitive impairment requiring substantial supervision to protect you from threats to health and safety.
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 x 730 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 VLDP participant. See Portability below.
How Benefits Are Paid	Your coverage pays a benefit equal to the lesser of: • 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 VLDP long-term care benefits.
Portability	If you leave your VLDP-covered position, you can continue coverage in the VLDP Long-Term Care Plan at group rates. You must elect to continue your coverage within 60 days of leaving VLDP-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.

VLDP 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	• 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	• 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	• 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	• 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	• Up to 50 percent of the maximum daily benefit amount ($48). • Community-based, group setting for adults.
Hospice Care Agency	• 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	• 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 will be adjusted periodically for inflation.
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 VLDP 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 VLDP 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 Authorization of Coverage Retention for the Long-Term Care Plan (VSDP or VLDP) (VRS-170) and the Protection Against Unintentional Lapse of Long-Term Care (VSDP or VLDP) (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/hybrid*

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

If your employer participates in the Commonwealth of Virginia (COVA) Voluntary Group Long-Term Care Insurance Program, you are eligible to apply for coverage for yourself if you work at least 20 hours a week. You also can enroll select family members between the ages of 18 and 79. Eligible 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.

The COVA Voluntary Group Long-Term Care Insurance Program is an employee-paid program. VRS has contracted with Genworth Life Insurance Company as the third-party administrator for the program. Coverage provides a monthly maximum benefit allowance for covered long-term care expenses.

Program Features

- If you enroll within 60 days of employment, you do not have to provide proof of good health (evidence of insurability). Proof of good health is required for any family members you wish to enroll.
- At group rates, your premiums may be more affordable. Premium rates are guaranteed through March 1, 2020 and will increase only if you make changes to your coverage.
- You will pay the premiums directly to Genworth. If you arrange to pay them to Genworth on a quarterly, semi-annual or annual basis, your premiums may be reduced.
- 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.
- You may be able to coordinate the voluntary program with the VLDP Long-Term Care Plan or other long-term care insurance to obtain even more coverage.

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. Visit *www.genworth.com/cov* for more information.

7 Frequently Used Terms

VLDP

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)
Bona Fide Break in Service	A bona fide break in service is a break of at least one full calendar month from your last day of employment that occurs over a period you normally would work. Periods of leave with or without pay and summer breaks do not count toward satisfying this break in service.
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 requiring substantial supervision to protect you from threats to health and safety.
Claim Review	VRS has contracted with Reed Group as the third-party administrator for the Virginia Local Disability Program (VLDP). Reed Group reviews all claims for VLDP benefits and notifies you in writing of the approval or denial of your claim. Call Reed Group toll-free at 1-877-928-7021. VRS has contracted with the following third-party administrators for the long-term care programs: • If you file a claim under the VLDP 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.
Disability	Under VLDP, 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. VLDP provides coverage for total and partial disabilities.

Hybrid Retirement Plan	You are covered under the Hybrid Retirement Plan if your membership date is on or after January 1, 2014. This includes judges elected or appointed to an original term on or after January 1, 2014, regardless if vested to VRS Plan 1 or VRS Plan 2. You are not eligible to participate in the hybrid plan if you are a member of SPORS, VaLORS or a political subdivision covered by enhanced benefits for hazardous duty employees or the hazardous duty alternate option. If you were hired on or after January 1, 2014 and are eligible for an Optional Retirement Plan (ORP), you must elect the ORP or the VRS Hybrid Retirement Plan. If you have prior service under Plan 1 or Plan 2, you are not eligible to elect the hybrid plan and will choose between the ORP or the applicable VRS defined benefit plan. *Note:* Plan 1 and Plan 2 state, school division and political subdivision employees had the opportunity to make an irrevocable decision to elect the Hybrid Retirement Plan during an election period held January 1 to April 30, 2014. If elected, participation in the hybrid plan began July 1, 2014.
Licensed Treating Healthcare Professional	Under VLDP, 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.
Pregnancy	VLDP provides up to six weeks of post-partum income replacement following a normal delivery or C-section.
Qualifying Periods for Benefits	• Seven-calendar day elimination period. Disability benefits begin on the eighth day of your disability. • One-year waiting period for non-work-related short-term disability coverage. After one year of continuous participation in VLDP with your current employer, you will become eligible for non-work-related short-term disability coverage. • Five-year eligibility period for higher income replacement levels. After five years of continuous participation in VLDP with your current employer, you will become eligible for higher income replacement levels if you go on short-term disability. • 90-calendar day waiting period for long-term care benefits. VLDP long-term care benefits are payable 90 calendar days after the beginning of each incident certified as eligible for benefits by a licensed healthcare practitioner.
Rehabilitation Plan	If you need medical or vocational rehabilitation to return to work, Reed Group 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, Reed Group 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.

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***www.varetire.org/hybrid* • 1-855-291-2285 • TDD: 804-289-5919**

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