



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



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

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 Reed Group, the third-party administrator for the program, and your employer.

#### CONTACT REED GROUP

[www.reedgroup.com/vsdp-claims](http://www.reedgroup.com/vsdp-claims) • 1-877-928-7021

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

#### CONTACT VRS

[www.varetire.org](http://www.varetire.org) • 1-888-827-3847  
TDD: 804-289-5919

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

Email: [vrs@varetire.org](mailto: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.

#### VRS Mission:

VRS delivers retirement and other benefits to Virginia public employees through sound financial stewardship and superior customer service.

*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 during one of two open enrollment periods offered in 1999 and 2002.



## Member Resources

### Benefit Information and Planning Resources

- VRS website at [www.varetire.org](http://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](http://www.varetire.org) for directions to VRS.
- Questions? Contact your human resource office or call toll-free at 1-888-827-3847.

### Key Contacts

- Anthem Blue Cross/Blue Shield: 1-800-552-2682; [www.anthem.com/cova](http://www.anthem.com/cova)
- Commonwealth of Virginia 457 Deferred Compensation Plan: 1-VRS-DC-PLAN1 (1-877-327-5261); [www.varetire.org](http://www.varetire.org) (select the Defined Contribution Plans tab)
- Federal Public Safety Officers' Benefit Act: Bureau of Justice Assistance toll-free at 1-888-744-6513 or [www.psob.gov](http://www.psob.gov)
- Group Life Insurance Program: Minnesota Life, 1-800-441-2258
- Social Security Administration: 1-800-772-1213; [www.ssa.gov](http://www.ssa.gov)
- Virginia Department of Human Resource Management: [www.dhrm.virginia.gov](http://www.dhrm.virginia.gov)
- Virginia Line of Duty Act (LODA):
  - Eligibility Determinations and Benefit Payments: Virginia Retirement System; 1-888-827-3847 (Request: LODA support), [loda@varetire.org](mailto:loda@varetire.org) or [www.valoda.org](http://www.valoda.org)
  - Health Benefits Plans: Department of Human Resource Management; [loda@dhrm.virginia.gov](mailto:loda@dhrm.virginia.gov) or [www.dhrm.virginia.gov/healthcoverage/loda-health-benefits](http://www.dhrm.virginia.gov/healthcoverage/loda-health-benefits)
- Virginia Sickness and Disability Program (VSDP): Reed Group, 1-877-928-7021; [www.reedgroup.com/vsdp-claims](http://www.reedgroup.com/vsdp-claims)
- VSDP 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](http://www.vwc.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 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 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 Reed Group 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, Plan 2 or the Hybrid Retirement Plan are eligible for VSDP coverage. For more information about the plans, visit [www.varetire.org](http://www.varetire.org) and review the handbook for your plan or contact your human resource office.

### The following employees are not eligible for VSDP:

- State employees in Plan 1 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 for 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](http://www.varetire.org). For more information, contact your human resource office.



## When Coverage Begins

Eligibility periods for some VSDP coverage vary depending on when you were hired or rehired, after a bona fide break in service of at least one full calendar month, in a VSDP-covered position, as shown in the following table:



|                                      | If you were hired before July 1, 2009, coverage began...   | If you were hired or rehired on or after July 1, 2009, or opted into the Hybrid Retirement Plan, 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 Reed Group | 60% during the first five years of employment, plus eligibility for an adjustment for catastrophic conditions as determined by Reed Group |
| 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 website at [www.fbmc-benefits.com/vaproviders](http://www.fbmc-benefits.com/vaproviders) for a list of companies approved to handle payment deductions for state employees. The Commonwealth of Virginia 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 are determined to be no longer medically eligible;
- You leave covered employment;
- You take a refund of your member contributions and interest in your member contribution account;
- You retire; or
- 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. Reed Group, 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 or walking 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. Reed Group, 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.

*Note:* If you are working full time while on short-term disability with modifications to your job duties to accommodate your approved disability claim, your claim will continue while you are working.

### 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](http://www.varetire.org) or review the handbook for your plan.

### 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 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.
- 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...

### **Need non-work-related disability coverage during my first year of employment?**

If you were hired or rehired, after a bona fide break in service of at least one full calendar month, on or after July 1, 2009, and have not satisfied the one-year waiting 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](http://www.fbmc-benefits.com/VaProviderNetwork/index.asp) for a list of companies approved to handle payment deductions for state employees. The Commonwealth of Virginia does not endorse any of these companies.

Chapter 3-Short-Term Disability Coverage

### **Am sick, injured or having a minor procedure and will be out for several days?**

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 consecutive calendar days, you may file a claim for short-term disability through Reed Group, the third-party administrator. The short-term disability benefit will begin on the eighth day of your disability. If your claim is non-work-related, you must satisfy a one-year waiting period with your current employer before you are eligible for coverage under VSDP. Your eligibility for work-related disability coverage begins upon employment.

Chapter 2-Sick, Family and Personal Leave

Chapter 3-Short-Term Disability Coverage

### **Am ill or injured and will be out for a while?**

Notify your supervisor 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 3-Short-Term Disability Coverage

### **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 supervisor know and call Reed Group to start the claim process. You do not have to wait until the end of the seven-calendar day elimination period to file a claim.

Chapter 3-Short-Term Disability Coverage

### **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 working days, you may be placed on long-term disability, as determined by Reed Group.

Chapter 3-Short-Term Disability Coverage

Chapter 4-Long-Term Disability Coverage

### **Suffer a work-related illness or injury?**

To qualify for a work-related VSDP benefit, your illness or injury must be considered compensable under the Virginia Workers' Compensation Act. If you receive a workers' compensation award, your VSDP benefit will be offset by your workers' compensation benefit.

Chapter 3-Short-Term Disability Coverage

Chapter 4-Long-Term Disability Coverage

Chapter 6-Adjustments to the VSDP Benefit

### **Need long-term care?**

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.

Chapter 7-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 reach your normal retirement age under your plan, 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 your plan as well as applying for retirement is available at [www.varetire.org](http://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 Reed Group 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 1-888-827-3847.

### **Important Note:**

Depending on when you were hired or rehired, after a bona fide break in service of at least one full calendar month, 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 Reed Group toll-free at 1-877-928-7021 or visit [www.reedgroup.com/vsdp-claims](http://www.reedgroup.com/vsdp-claims).
- VSDP Long-Term Care Plan claims: Call the Long-Term Care Group, Inc. toll-free at 1-800-761-4057.

# 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.





# Short-Term Disability Coverage



What Is a Short-Term Disability? • If You Change Jobs • Eligibility Periods and Income Replacement • Disability Coverage for Contract Employees • 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?

Under the Virginia Sickness and Disability Program (VSDP), 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. VRS has contracted with Reed Group as the third-party administrator for VSDP.

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

### Short-Term Disability Period

The maximum short-term disability period is 125 workdays. The 125-workday period is based on a Monday–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 4-Long-Term Disability Coverage.

### Seven-Calendar Day Elimination Period

If your claim for short-term disability is approved, the benefit will begin after seven consecutive calendar days from the first day of your disability. During the seven-calendar day elimination 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 fewer during the first seven days, or 10 hours or fewer if you are a part-time salaried state employee, you will have satisfied the elimination period. If you have a catastrophic or major chronic condition, the elimination period may be waived.

#### 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 due to 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.

To file a claim, call Reed Group toll-free at 1-877-928-7021. You do not have to wait until the end of the seven-calendar day elimination period. For more information, see Chapter 5-Applying for VSDP.

## If You Change Jobs

If you move to a position with another state employer without a bona fide break in service of at least one full calendar month, you will be considered continuously employed. Your participation in VSDP will continue to count 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 move to another state employer, you will not be required to satisfy them again while you are employed in your new position. Refer to the Days of Income Replacement tables in this chapter.

If you are rehired to a position with another state employer after a bona fide break in service of at least one full calendar month, 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 are hired in a political subdivision or school division and are covered under Plan 1 or Plan 2, you will be covered by VRS Disability Retirement and not covered under VSDP. Visit [www.varetire.org](http://www.varetire.org) for more details on this program.

If you are hired in a political subdivision or school division and are covered under the Hybrid Retirement Plan, you will be enrolled automatically in the Virginia Local Disability Program (VLDP) or your employer's comparable program, and not covered under VSDP. Under VLDP, 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 Local Disability Program Handbook or visit [www.varetire.org/hybrid](http://www.varetire.org/hybrid). If your employer offers a comparable program, see your human resource office for more information on your program.

## Eligibility Periods and Income Replacement

### 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.

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

If you were hired or rehired, after a bona fide break in service of at least one full calendar month, 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 participation. Continuous program participation is based on full-time salaried service with a state 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.

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 website at [www.fbmc-benefits.com/VaProviderNetwork/index.asp](http://www.fbmc-benefits.com/VaProviderNetwork/index.asp) for a list of companies approved to handle payment deductions for state employees. The Commonwealth of Virginia 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 waiting 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                                 |

## 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                                 |

### 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 be offset by 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 Reed Group as soon as possible. For more information, see Chapter 5-Applying for VSDP and Chapter 6-Adjustments to the VSDP Benefit.

### 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.

## 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                                  |

### Purchasing Service Credit for Work-Related Short-Term Disability

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.

## Disability Coverage for Contract Employees

If you are on a nine-, 10- or 11-month contract, you are eligible to receive VSDP benefits during contract periods only. If your contract is not renewed, your eligibility for VSDP 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 Eligibility Periods and Income Replacement 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-workday period for short-term disability and your days of income replacement.

### Example 1

An employee started work September 1, 2016, on a contract ending June 30, 2017, and has received contract renewals since then. The employee suffers a non-work-related injury on June 13, 2018, 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, 2018, disability benefits will stop.
- If the employee is still disabled by the time the next contract starts September 1, 2018, 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 5-Applying for VSDP 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 the date your benefit begins.

### Example 2

An employee started work September 1, 2016, on a contract ending June 30, 2017, and has received contract renewals since then. The employee suffers a non-work-related injury on July 13, 2022, 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 and the employee applied for a claim 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, 2022, 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 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:

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 that requires 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/vsdp-claims](http://www.reedgroup.com/vsdp-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 had an approved disability claim with the same 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 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.** You will be considered on the same short-term disability claim if you are released to return to work full time, full duty, by your licensed treating healthcare professional and go out again for the same or a similar condition within 45 consecutive calendar days of your return to work. 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.** You will be required to contact Reed Group to file a new short-term disability claim if you are released to return to work full time, full duty, by your licensed treating healthcare professional and go out again for the same or a similar condition on the 45<sup>th</sup> calendar day or after your return to work. You must 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** – Full-day absences from work 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. 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.

## 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](http://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, after a bona fide break in service of at least one full calendar month, 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.

### Contributions

#### Plan 1 and Plan 2

While you are on short-term disability, you will continue to contribute 5 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 and receiving only a workers' compensation benefit, the contribution will not be withheld from your payment. You will not receive service credit and are eligible to purchase this missing time. The *Code of Virginia* prohibits members from borrowing from their member contribution account.

#### Hybrid Retirement Plan

**Defined benefit component.** While you are on non-work-related 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 and receiving only a workers' compensation benefit, the contribution will not be withheld from your payment. You will not receive service credit and are eligible to purchase this missing time. The *Code of Virginia* prohibits members from borrowing from their member contribution account.

**Defined contribution component : Hybrid 401(a) Cash Match Plan and Hybrid 457 Deferred Compensation Plan.** While you are on non-work-related short-term 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, no contributions will be withheld from your payment and you will not receive a 1 percent employer contribution to your Hybrid 401(a) Cash Match Plan. More information about the VRS Hybrid Retirement Plan is available at [www.varetire.org/hybrid](http://www.varetire.org/hybrid).

Note: If you are on work-related disability and found to be permanently and totally disabled, your employer will continue to make the 1 percent contribution to your Hybrid 401(a)Cash Match Plan.

**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 members in the Hybrid Retirement Plan, your named beneficiary or survivor may be eligible for a distribution from your defined contribution account.

For more information about your VRS benefits, visit [www.varetire.org](http://www.varetire.org) or review the current *Handbook for Members* for your plan. You also can contact your human resource office or call VRS toll-free at 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 will 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](http://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 your employer's 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, after a bona fide break in service of at least one full calendar month, 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.

**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 VSDP benefit will be offset by your workers' compensation benefit. Because of this offset, you will not receive a VSDP benefit if your workers' compensation is greater than your VSDP benefit amount. Contact your human resource office about your workers' compensation benefits and assistance with filing a workers' compensation claim.

**Cost-of-living adjustment (COLA).** If you have received a benefit 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 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.

### Hired or Rehired on or After July 1, 2009?

If you have not satisfied the one-year waiting 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/vaproviders](http://www.fbmc-benefits.com/vaproviders) for a list of companies approved to handle payment deductions for state employees. The Commonwealth of Virginia does not endorse any of these companies.

**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 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 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 or a 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 180 consecutive calendar days.** You will be considered on the same long-term disability claim if you are released to return to work full time, full duty, by your licensed treating healthcare professional and go out again for the same or a similar condition within 180 consecutive calendar days of your return to work.

**After 180 consecutive calendar days.** You will be required to contact Reed Group to file a new short-term disability claim if you are released to return to work full time, full duty by your licensed treating healthcare professional and go out again for the same or a similar condition on the 180<sup>th</sup> calendar day or after your return to work. You must satisfy a new seven-calendar day elimination 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 (LODA):

Eligibility Determinations and Benefit Payments: Virginia Retirement System;  
1-888-827-3847 (Request: LODA support), [loda@varetire.org](mailto:loda@varetire.org) or [www.valoda.org](http://www.valoda.org)

Health Benefits Plans: Department of Human Resource Management;  
[loda@dhrm.virginia.gov](mailto:loda@dhrm.virginia.gov) or [www.dhrm.virginia.gov/healthcoverage/loda-health-benefits](http://www.dhrm.virginia.gov/healthcoverage/loda-health-benefits)



## 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 Twelve Months of Disability Benefits

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 Twelve Months of 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 |
| <br>   |             |
| 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 |
| <br>   |             |
| 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  |
|---|--|---|
| <b>Annual Leave</b>   | You will be paid for any unused annual leave. If you return to employment within 180 consecutive calendar days, you may be eligible to repurchase 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. |
| <b>Health Insurance</b>   | 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 LTD Participants to your human resource office. The form is available from your human resource office or <a href="http://www.varetire.org">www.varetire.org</a> .  | 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 <a href="http://www.dhrm.virginia.gov">www.dhrm.virginia.gov</a> . |  |   |
| <b>Health Insurance Credit</b>  | <p>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 Reed Group. See Chapter 5-Applying for VSDP.</p> <p>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.</p> | If you go on long-term disability-working, you will not be eligible for the health insurance credit.  |

## 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.

### Contributions

**Plan 1, Plan 2 and the defined benefit component of the Hybrid Retirement Plan.** Member contributions will stop while you are on long-term disability. You also will be ineligible to purchase prior service.

**Defined contribution component of the Hybrid Retirement Plan.** If you are covered under the Hybrid Retirement Plan, 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, the mandatory 1 percent employer contribution will continue to be made to your Hybrid 401(a) plan. For more information about SSDI, see Chapter 6-Adjustments to the VSDP Benefit. Distributions from the Hybrid 401(a) and Hybrid 457 plans are not allowed if you are receiving long-term disability benefits. More information about the VRS Hybrid Retirement Plan is available at [www.varetire.org/hybrid](http://www.varetire.org/hybrid).

### 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 beneficiary may be eligible for a VRS death-in-service benefit in addition to life insurance benefits. A death in-service benefit is either a monthly benefit or a refund of your member contribution account, depending on the type of beneficiary and whether or not you are vested at the time of death.

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

## Long-Term Disability

## Long-Term Disability-Working

### Optional 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 from your deferred compensation 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](http://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 a 403(b) plan your employer may offer, 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 and retirement application process for VRS Plan 1, VRS Plan 2 and the Hybrid Retirement Plan, review the current *Handbook for Members* for your plan or visit [www.varetire.org](http://www.varetire.org).

If you reach your normal retirement age while on long-term disability, your VSDP benefit ends and you must retire to continue to receive a monthly benefit:

- 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 with at least 60 months of service credit, or when age and service equal 90.
- If you are covered under the Hybrid Retirement Plan, your normal retirement age is your normal Social Security retirement age with at least 60 months of service credit, or when age and service equal 90.
- If you are covered under SPORS or VaLORS Plan 1 or Plan 2, your normal retirement age is 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 to continue to receive a monthly benefit.

### 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. When you fill out the Application for Service Retirement (VRS-5), you can indicate that you would like to convert your disability credits to service credit. Your employer will need to certify the conversion before VRS processes your application.

# 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 Reed Group toll-free at 1-877-928-7021 as soon as possible. If you have scheduled a medical procedure or you are pregnant and know your due date, do not wait until 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 agency 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 a benefit 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.



**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.

The following forms are returned to Reed Group:

- **Attending Physician Statement.** Reed Group will fax this statement to your doctor or other licensed treating healthcare professional. Reed Group's 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.** You complete 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 submit 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 provider 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.

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 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 VSDP benefits while on long-term disability. Have this form notarized before returning it to Reed Group.
- **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 Reed Group. You are not eligible for the health insurance credit if you are on long-term disability-working. For more information about the health insurance credit, review the current *Handbook for Members* for your plan or visit [www.varetire.org](http://www.varetire.org) (select Insurance in Retirement from the Retirees homepage).
- **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



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

#### Filing a Workers' Compensation Claim

Your human resource office will file your workers' compensation claim with MC 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) website at [www.dhrm.virginia.gov](http://www.dhrm.virginia.gov).

**Hired or rehired on or after July 1, 2009?** If you were hired or rehired, after a bona fide break in service of at least one full calendar month, 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 waiting 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. 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.

### 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                               |             |
|--|-------------|
| 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 | <hr/> \$ 833.38 |

| VSDP 80% WORK-RELATED BENEFIT CALCULATION |                   |
|---|-------------------|
| Weekly Wage                               | \$ 1,250.00       |
| x 80% VSDP Income Replacement             | x .80             |
| <hr/> Weekly VSDP Benefit at 80%          | <hr/> \$ 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   | <hr/> \$ 166.62   |
| + Weekly Worker's Compensation Benefit  | \$ 833.38         |
| <hr/> Total Weekly Work-Related Disability Benefits at 80% Income Replacement | <hr/> \$ 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 | <hr/> \$ 833.38* |

| VSDP 60% WORK-RELATED BENEFIT CALCULATION | EXAMPLE          |
|---|------------------|
| Weekly Wage                               | \$ 1,250.00      |
| x 60% VSDP Income Replacement             | x .60            |
| <hr/> Weekly VSDP Benefit at 60%          | <hr/> \$ 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 be offset by 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 be Offset by Supplement Workers' Compensation Benefit | 10 Weeks*   |

*\*John's VSDP benefit will be offset by the lump-sum workers' compensation settlement for 10 weeks. 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 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](http://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 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 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 offset by the SSDI benefit.

### 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 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

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 VSDP 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, local or private disability program payments for the same condition, excluding cost-of-living adjustments (COLAs)
- Workers' compensation, severance payments or unemployment compensation.

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

# 7

## Long-Term Care Programs

Virginia Sickness and Disability Program Long-Term Care Plan

### 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 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 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 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)



## VSDP Long-Term Care Plan Highlights

|                                     |   |
|-------------------------------------|---|
| <b>Plan Sponsor</b>                 | The Virginia Retirement System (VRS) administers the long-term care program as part of the Virginia Sickness and Disability Program (VSDP).   |
| <b>Plan Administrator</b>           | 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.   |
| <b>Eligible Participants</b>        | You are covered automatically under the VSDP long-term care plan if you participate in the Virginia Sickness and Disability Program (VSDP).   |
| <b>Benefit Eligibility</b>          | You are eligible for benefits when a licensed healthcare practitioner certifies that you: <ul style="list-style-type: none"><li>• Are unable to perform at least two of six activities of daily living (see previous page); or</li><li>• Have a severe cognitive impairment requiring substantial supervision to protect you from threats to health and safety.</li></ul>                       |
| <b>Daily Benefit Maximum Amount</b> | \$96 per day. This is the maximum amount of coverage the plan will pay for covered services in any single day.  |
| <b>Lifetime Maximum Amount</b>      | \$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.  |
| <b>Premiums</b>                     | No charge as an active VSDP participant. See Portability below.   |
| <b>How Benefits Are Paid</b>        | Your coverage pays a benefit equal to the lesser of: <ul style="list-style-type: none"><li>• Actual qualified expenses incurred per day; or</li><li>• Allowable daily benefit amount.</li></ul>   |
| <b>Elimination Period</b>           | 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.   |
| <b>Portability</b>                  | 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.*

|                                    |   |
|------------------------------------|---|
| <b>Nursing Care Facility</b>       | <ul style="list-style-type: none"> <li>Up to 100 percent of the maximum daily benefit amount (\$96).</li> <li>Provides skilled and custodial care in a nursing care facility that meets all applicable licensing requirements.</li> </ul>   |
| <b>Assisted Living Facility</b>    | <ul style="list-style-type: none"> <li>Up to 100 percent of the maximum daily benefit amount (\$96).</li> <li>Personal services and care in an assisted living facility that meets all applicable licensing requirements.</li> </ul>  |
| <b>Hospice Care Facility</b>       | <ul style="list-style-type: none"> <li>Up to 50 percent of the maximum daily benefit amount (\$48).</li> <li>If you are terminally ill, provides care in a hospice facility that meets all applicable licensing requirements.</li> </ul>  |
| <b>Home Health Care</b>            | <ul style="list-style-type: none"> <li>Up to 50 percent of the maximum daily benefit amount (\$48).</li> <li>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.</li> </ul>   |
| <b>Adult Day Care Center</b>       | <ul style="list-style-type: none"> <li>Up to 50 percent of the maximum daily benefit amount (\$48).</li> <li>Community-based, group setting for adults.</li> </ul>  |
| <b>Hospice Care Agency</b>         | <ul style="list-style-type: none"> <li>Up to 50 percent of the maximum daily benefit amount (\$48).</li> <li>If you are terminally ill, provides care in your home by a hospice care agency that meets all applicable licensing requirements.</li> </ul>  |
| <b>Alternate Plan Benefit</b>      | <ul style="list-style-type: none"> <li>Up to 50 percent of the maximum daily benefit amount (\$48).</li> <li>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.</li> </ul>  |
| <b>Transitional Care</b>           | 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.  |
| <b>Informal Care Benefit</b>       | 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.  |
| <b>Informal Caregiver Training</b> | 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. |
| <b>Bed Reservation</b>             | 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 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 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](http://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.



# 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)

### **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. This break must occur over a period you normally would work. Periods of leave with or without pay, summer breaks or intersession periods 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 that requires 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 Sickness and Disability Program (VSDP). Reed Group reviews all claims for VSDP 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 VSDP Long-Term Care Plan, your claim will be reviewed by the Long-Term Care Group, Inc. Call toll-free 1-800-761-4057.

### **Cognitive Disability**

A cognitive disability is a loss or deterioration in intellectual capacity.

**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. VSDP provides coverage for total and partial disabilities.

**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 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.

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.

**Hybrid Retirement Plan**

You are covered under the VRS 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 in 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, 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 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.

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| <b>Plan 1</b>                          | You are covered under Plan 1 if your membership date is prior to July 1, 2010, and you were vested before January 1, 2013, and have not taken a refund. You are covered under Optional Retirement (ORP) Plan 1 if you have an ORP membership date before July 1, 2010. If you have a pre-July 1, 2010, ORP account balance and moved to a defined benefit plan, you must have any combination of VRS creditable service and/or ORP participation that totals five years as of January 1, 2013, to be considered a Plan 1 member.  |
| <b>Plan 2</b>                          | You are covered under Plan 2 if your membership date is from July 1, 2010, to December 31, 2013, and you have not taken a refund. Additionally, you are covered under Plan 2 if you have a membership date prior to July 1, 2010, but you were not vested before January 1, 2013. You are covered under Optional Retirement Plan 2 if you have an ORP membership date after July 1, 2010. If you are a member of VaLORS or SPORS, or an employee of a political subdivision that covers you with enhanced hazardous duty benefits or the hazardous duty alternate option under VRS and were hired on or after July 1, 2010, you are in Plan 2, even if your membership date is after December 31, 2013.   |
| <b>Pregnancy</b>                       | VSDP provides up to six weeks of post-partum income replacement following a normal delivery or C-section.   |
| <b>Qualifying Periods for Benefits</b> | <p><b>Seven-calendar day elimination period.</b> Disability benefits begin on the eighth day of your disability.</p> <p><b>One-year waiting period for non-work-related short-term disability coverage.</b> After one year of continuous participation in VSDP, you will become eligible for non-work-related short-term disability coverage.</p> <p><b>Five-year eligibility period for higher income replacement levels.</b> After five years of continuous participation in VSDP, you will become eligible for higher income replacement levels if you go on short-term disability.</p> <p><b>90-calendar day waiting period for long-term care benefits.</b> VSDP 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.</p> |
| <b>Rehabilitation Plan</b>             | 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.  |
| <b>Transitional Plan</b>               | 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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**Virginia Retirement System • 1200 East Main Street • P.O. Box 2500 • Richmond, VA 23218-2500**

**[www.varetire.org](http://www.varetire.org) • 1-888-827-3847 • TDD: 804-289-5919**