



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



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

**HELPING YOU PLAN
FOR TOMORROW,
TODAY**



VIRGINIA SICKNESS AND DISABILITY PROGRAM (VSDP)

HANDBOOK FOR ELIGIBLE MEMBERS

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

CONTACT ALIGHT

reedgroup.com/vsdp-claims

Toll-free: 877-928-7021

Mailing Address

P.O. Box 1523, Lincolnshire, IL 60069

CONTACT VRS

varetire.org

vrs@varetire.org

Toll-free: 888-827-3847

TDD: 804-289-5919

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.

Virginia Retirement Counseling Center

1111 East Main Street, Richmond, VA 23219

VRS Administrative Offices

1200 East Main Street, Richmond, VA 23219

Mailing Address

P.O. Box 2500, Richmond, VA 23218-2500

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* and other applicable law. 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 varetire.org provides 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. Limited scheduled appointments are also available; call VRS toll-free at 888-827-3847 for more information. Counseling hours are 8:30 a.m. – 4 p.m., Tuesday and Wednesday. Go to varetire.org for directions and parking information. You can also schedule a virtual one-on-one counseling appointment at varetire.org/education.
- Questions? Contact your human resource office or call VRS toll-free at 888-827-3847.

KEY CONTACTS

- Commonwealth of Virginia 457 Deferred Compensation Plan: VRS-DC-PLAN1 (877-327-5261); varetire.org/dcp
- Commonwealth of Virginia (COV) Voluntary Group Long Term Care Insurance Program: 866-859-6060; genworth.com/cov
- Group Life Insurance Program: Securian Financial, 800-441-2258
- Social Security Administration: 800-772-1213; ssa.gov
- Virginia Department of Human Resource Management: dhrm.virginia.gov
- Virginia Line of Duty Act (LODA)
 - Eligibility Determinations and Benefit Payments: Virginia Retirement System
Toll-free: 888-827-3847 (Request LODA support) loda@varetire.org; valoda.org
 - Health Benefits Plans: Department of Human Resource Management
loda@dhrm.varetire.org; dhrm.virginia.gov/healthcoverage/loda-health-benefits
- Virginia Sickness and Disability Program (VSDP): Alight, 877-928-7021; reedgroup.com/vsdp-claims
- VSDP Long-Term Care Plan: illumifin Corp., 800-761-4057
- Virginia Workers' Compensation Commission: 877-664-2566; workcomp.virginia.gov

Administrator Name Change

ReedGroup, the third-party administrator for VSDP, is now Alight.



TABLE OF CONTENTS

1. INTRODUCTION TO VSDP

Income Protection if You Can't Work	6
Eligibility	7
When Coverage Begins	8
When the VSDP Benefit Ends	9
Returning to Work	9
Your Responsibilities	10
Quick Reference	11

2. SICK, FAMILY AND PERSONAL LEAVE

Sick Leave	13
Family and Personal Leave	14
Leave While on Disability	15

3. SHORT-TERM DISABILITY COVERAGE

What Is a Short-Term Disability?	16
If You Change Jobs	17
Eligibility Periods and Income Replacement	17
Disability Coverage for Contract Employees	20
If You Have a Catastrophic or Major Chronic Condition	22
Successive Periods of Short-Term Disability	22
Other Benefit Coverage While on Short-Term Disability	23

4. LONG-TERM DISABILITY COVERAGE

What Is a Long-Term Disability?	26
Successive Periods of Long-Term Disability	27
Long-Term Disability-Working	28
Other Benefit Coverage While on Long-Term Disability	30
If You Are Eligible to Retire	34

5. APPLYING FOR VSDP	
How to File a Claim for Short-Term Disability	35
If You Go on Long-Term Disability	36
Confidentiality	37
6. ADJUSTMENTS TO THE VSDP BENEFIT	
VSDP Short-Term Disability Benefit and Workers' Compensation	38
Social Security Disability Insurance Benefits	41
Outside Income or Other Benefit Payments	42
7. LONG-TERM CARE PROGRAMS	
Virginia Sickness and Disability Program Long-Term Care Plan	43
Commonwealth of Virginia Voluntary Group Long Term Care Insurance Program	48
8. FREQUENTLY USED TERMS	49
9. ABOUT VRS	53

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
Quick Reference

INCOME PROTECTION IF YOU CAN'T WORK

The Virginia Sickness and Disability Program (VSDP) provides income protection for state employees who 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.

Note: You are eligible for sick leave, family and personal leave, work-related disability coverage and coverage under the VSDP Long-Term Care Plan from the first day of employment. Eligibility periods for non-work-related disability coverage and certain income replacement levels vary. There is a one year waiting period from your hire date for non-work-related disability coverage. You may want to purchase an individual policy for non-work-related disability coverage during your first year of employment.

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 Alight as the third-party administrator for VSDP.

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.

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).
- 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 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 Virginia Commonwealth University Health System Authority and UVA Health.

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 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, 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 in to 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 Alight	60% during the first five years of employment, plus eligibility for an adjustment for catastrophic conditions as determined by Alight
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 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.
- You do not cooperate or comply with the requirements of VSDP.

If you die while on disability, the VSDP benefit will not continue to a beneficiary or survivor.

However, your beneficiary or survivor may be eligible for a death-in-service benefit.

Visit varetire.org for more information.

RETURNING TO WORK

VSDP focuses on assisting you with a safe return to employment if you are able. Alight, 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. Physical therapy and other therapeutic treatment plans are considered part of your treatment regimen. They are not the same as a transitional, medical or vocational rehabilitation plan.

TRANSITIONAL PLAN

A transitional plan helps you return to your full duties gradually. Examples include working part time or helping out in another position on a temporary basis until you are fully recovered. Alight, 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.

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, 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 varetire.org or review the handbook for your plan.

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.

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 Alight 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 Alight.
- Ensuring Alight receives medical information in a timely manner.
- Reporting any changes in your disability to your human resource office and Alight 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 Alight.
- 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.

QUICK REFERENCE

Need non-work-related disability coverage during your 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 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.

See: [Chapter 3 – Short-Term Disability Coverage](#)

Sick, injured or having a minor procedure causing you to 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 Alight, 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.

See: [Chapter 2 – Sick, Family and Personal Leave](#)
[Chapter 3 – Short-Term Disability Coverage](#)

Illness or injury causing you to be out for a while?

Notify your supervisor and file a claim for short-term disability with Alight as soon as possible. Your human resource office, a family member or friend may file a claim on your behalf.

See: [Chapter 3 – Short-Term Disability Coverage](#)

Have an upcoming medical procedure or know your due date if you are pregnant?

As soon as you know when you expect to be out, let your supervisor know and call Alight 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.

See: [Chapter 3 – Short-Term Disability Coverage](#)

Is your condition not improving?

If your condition does not improve or worsens, you and your licensed treating healthcare professional should contact Alight. Your human resource office, a family member or friend can coordinate with your doctor's office and call Alight on your behalf. If your disability continues beyond 125 working days, you may be placed on long-term disability, as determined by Alight.

See: [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.

See: [Chapter 3 – Short-Term Disability Coverage](#)
[Chapter 4 – Long-Term Disability Coverage](#)
[Chapter 6 – Adjustments to the VSDP Benefit](#)

Moving to another state employer or returning to state employment?

If you move to another state employer without a bona fide break in service, you will not be required to satisfy new eligibility periods for non-work-related disability and higher income replacement levels because the state is considered one employer. However, if you leave employment and then return to a VSDP-covered position after a bona fide break in service, you will be required to satisfy new eligibility periods for non-work-related disability and higher income replacement levels. A bona fide break in service is a break of at least one full calendar-month from your last day of employment over a period you normally would work.

See: [Chapter 3 – Short-Term Disability Coverage](#)

Need long-term care?

Call illumifin Corp. to file a claim under the VSDP Long-Term Care Plan within 60 days of certification by a licensed healthcare practitioner that you qualify for benefits. Benefits include nursing home care, transitional care and in-home care, among other long-term care services. If you are enrolled in the Commonwealth of Virginia (COV) Voluntary Group Long Term Care Insurance Program, you can also file a claim by calling Genworth Life. See “Claims Contact Information” below.

See: [Chapter 7 – Long-Term Care Programs](#)

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 varetire.org and described in the *Handbook for Members* for the plans. Your human resource office also can assist you.

See: [Chapter 4 – Long-Term Disability Coverage](#)

File a claim and your claim is denied?

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

See: [Chapter 5 – Applying for VSDP](#)

CLAIMS CONTACT INFORMATION

- VSDP claims: Call Alight toll-free at 877-928-7021 or visit reedgroup.com/vsdp-claims.
- VSDP Long-Term Care Plan claims: Call illumifin Corp. toll-free at 800-761-4057.
- Commonwealth of Virginia (COV) Voluntary Group Long Term Care Insurance Program claims: Call Genworth Life toll-free at 866-859-6060 or visit genworth.com/cov.

Questions about VSDP?

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 888-827-3847.

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	Hours of Leave (full-time employee)
Fewer than 60	64 hours
60-119	72 hours
120 or more	80 hours
Months of Career State Service	Hours of Leave (part-time employee)
Fewer than 120	32 hours
120 or more	40 hours

If you need to be absent from work for an illness or injury of an immediate family member, you may use up to 33% 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.

You cannot carry over unused sick leave from year to year or be paid for unused sick leave when you retire or leave employment. 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.

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.

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	Hours of Leave (full-time employee)	Hours of Leave (part-time employee)
January 10 – July 9	64 hours	32 hours
July 10 – January 9	40 hours	20 hours

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. You cannot carry over unused sick, family or personal leave from year to year. 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	Hours of Leave (all employees)
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	Hours of Leave (all employees)
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% or 60% of your pre-disability income, you can use your family and personal leave to bring your income replacement level to 100%. You also may be able to use other eligible leave with the approval of your supervisor. For more information about income replacement, see Chapter 3 – Short-Term Disability Coverage and Chapter 4 – Long-Term Disability Coverage.



3

Short-Term Disability Coverage

What Is a Short-Term Disability?

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 Alight as the third-party administrator for VSDP.

VSDP coverage includes up to 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 to 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 Alight. 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.

To file a claim, call Alight toll-free at 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.

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.

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 in 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 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 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

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 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% of your pre-disability income. After five years of continuous employment, you become eligible for income replacement beginning at 100% of your pre-disability income, which reduces to 80% and then 60%. 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
Fewer than 60	0	0	125
60-119	85	25	15
120 or more	85	40	0

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% 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% 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 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% 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% of your pre-disability income, which reduces to 80% and then 60%. 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
Fewer than 60	5	20	100
60-119	25	25	75
120-179	25	50	50
180 or more	25	75	25

DAYS OF INCOME REPLACEMENT: WORK-RELATED DISABILITY

Hired Before July 1, 2009

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

IF YOU RECEIVE A WORKERS' COMPENSATION AWARD

The current state workers' compensation benefit is 66⅔% 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% of your pre-disability income, you will not receive a VSDP benefit unless your workers' compensation benefit is reduced to less than 60% or ends, or if your income replacement level increases to 80% 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 Alight as soon as possible. For more information, see Chapter 5 – Applying for VSDP and Chapter 6 – Adjustments to the VSDP Benefit.

Purchasing Service Credit for Work-Related Short-Term Disability. If you go on work-related short-term disability receiving only a workers' compensation benefit 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 Alight, 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, 2021, on a contract ending June 30, 2022, and has received contract renewals since then. The employee suffers a non-work-related injury on June 13, 2023, 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, 2023, disability benefits will stop.
- If the employee is still disabled by the time the next contract starts September 1, 2023, 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 Alight 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-workday period for short-term disability from the date your benefit begins.

Example 2

An employee started work September 1, 2021 on a contract ending June 30, 2022, and has received contract renewals since then. The employee suffers a non-work-related injury on July 13, 2023, during the non-contract period, and immediately files a claim for non-work-related short-term disability with Alight, 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, 2023, 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% 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 Aight, 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% of your pre-disability income, it will increase to 80% 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 Aight toll-free at 877-928-7021 or visit reedgroup.com/vsdp-claims.

MAJOR CHRONIC CONDITION

If Aight, 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 Aight 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 Alight 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 45th 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. Alight 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 dhrm.virginia.gov.	
VRS Service Credit	<p>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 may be eligible to purchase this period as service credit in your plan. Contact your human resource office for more information.</p> <p>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.</p>

Contributions

Plan 1 and Plan 2

While you are on short-term disability, you will continue to contribute 5% of your compensation each month to your member contribution account on a pretax 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 may be eligible to purchase this time. The *Code of Virginia* does not allow VRS members to borrow or withdraw funds from their member contribution accounts. You can take a refund of your member contribution account when you leave covered employment.

Hybrid Retirement Plan

Defined benefit component. While you are on non-work-related short-term disability, you will continue to contribute 4% of your compensation each month to your member contribution account on a pretax 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 may be eligible to purchase this time at a later date. The *Code of Virginia* does not allow VRS members to borrow or withdraw funds from their member contribution accounts. You can take a refund of your member contribution account when you leave covered employment.

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% member contribution and your employer will continue to contribute the mandatory 1% 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% employer contribution to your Hybrid 401(a) Cash Match Plan. More information about the VRS Hybrid Retirement Plan is available at 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% 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, Securian Financial, toll-free at 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, 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 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 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 of Virginia 457 Plan, visit varetire.org/457 or call toll-free VRS-DC-PLAN1 (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% 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%.

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. Aight 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.

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. Aight will advise you if you need to file a new claim for the same condition. Contact your human resource office for more information.

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 Alight 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 180th 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;
888-827-3847 (Request: LODA support), loda@varetire.org or valoda.org

Health Benefits Plans: Department of Human Resource Management;
loda@dhrm.virginia.gov or 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 12 MONTHS OF DISABILITY BENEFITS

Your benefit amount will be adjusted by 60% of income or wages you earn from employment. The following example is based on an employee working at 50% of his or her full duties:

Long-Term Disability Benefit Calculation	Example
Monthly Pre-Disability Income	\$ 5,500
× 60% Income Replacement Level	× 0.60
<hr/> Monthly VSDP Benefit Before Adjustment	<hr/> \$ 3,300
Adjustment to Income/Wages	
Monthly Pre-Disability Income	\$ 5,500
× Percentage of Hours Worked	× 0.50
<hr/> Actual Income/Wages	<hr/> \$ 2,750
× 60% Adjustment to Income/Wages	× 0.60
<hr/> Adjusted Income/Wages	<hr/> \$ 1,650
Long-Term Disability–Working Benefit Calculation	
Monthly VSDP Benefit Before Adjustment	\$ 3,300
- Adjusted Income/Wages	\$ 1,650
<hr/> Adjusted VSDP Benefit	<hr/> \$ 1,650
+ Actual Income/Wages	\$ 2,750
<hr/> Total Monthly Income	<hr/> \$ 4,400

FIRST 12 MONTHS OF DISABILITY WORKING

The benefit amount will be adjusted by 70% of income or wages you earn from employment. The following example is based on an employee working at 50% of his or her full duties:

Long-Term Disability Benefit Calculation	Example
Monthly Pre-Disability Income	\$ 5,500
× 60% Income Replacement Level	× 0.60
Monthly VSDP Benefit Before Adjustment	\$ 3,300
Adjustment to Income/Wages	
Monthly Pre-Disability Income	\$ 5,500
× Percentage of Hours Worked	× 0.50
Actual Income/Wages	\$ 2,750
× 70% Adjustment to Income/Wages	× 0.70
Adjusted Income/Wages	\$ 1,925
Long-Term Disability-Working Benefit Calculation	
Monthly VSDP Benefit Before Adjustment	\$ 3,300
- Adjusted Income/Wages	\$ 1,925
Adjusted VSDP Benefit	\$ 1,375
+ Actual Income/Wages	\$ 2,750
Total Monthly Income	\$ 4,125



OTHER BENEFIT COVERAGE WHILE ON LONG-TERM DISABILITY

	LONG-TERM DISABILITY	LONG-TERM DISABILITY–WORKING
Annual Leave	You will be paid for any unused annual leave. If you return to employment within 180 consecutive calendar-days, you may be eligible to 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% income replacement level while on long-term disability–working with the approval of your supervisor.
Health Insurance	You can continue your health insurance coverage when you go on long-term disability. You must elect this option within 31 calendar-days of the date your long-term disability period begins. You will pay the premiums. To continue your coverage, sign up at my.cardinal.virginia.gov , or 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 varetire.org .	Your health insurance coverage will continue at the same level you were receiving while on short-term disability.

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

	LONG-TERM DISABILITY	LONG-TERM DISABILITY–WORKING
Health Insurance Credit	<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. Instructions on how to request the credit will be included in the VSDP introductory packet you will receive from Alight. 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>	<p>If you go on long-term disability–working, you will not be eligible for the health insurance credit.</p>

	LONG-TERM DISABILITY	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	<p>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.</p> <p>Defined contribution component of the Hybrid Retirement Plan. If you are covered under the Hybrid Retirement Plan, the mandatory 1% 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% 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 varetire.org/hybrid.</p>	
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 Securian Financial, the third-party administrator for the VRS Group Life Insurance Program. For more information, call Securian Financial toll-free at 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 varetire.org or review the current *Handbook for Members* for your plan. You can also contact your human resource office or call VRS toll-free at 888-827-3847.

Optional Deferred Compensation Plan**LONG-TERM DISABILITY**

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.

LONG-TERM DISABILITY–WORKING

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 of Virginia 457 Plan, visit varetire.org/457 or call toll-free VRS-DC-PLAN1 (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 and you will continue to accrue service credit. You can retire when you meet the age and service requirements for your plan, unless you are receiving workers' compensation benefits. You are not eligible for VRS disability retirement.

If you reach your normal retirement age while on long-term disability, your 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.

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 varetire.org.

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% 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 apply for retirement, 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 Alight toll-free at 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 Alight 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 Alight 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 Alight.

STEP TWO

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

Return the following forms to Alight:

- **Attending Physician Statement.** Alight will fax this statement to your doctor or other licensed treating healthcare professional. Alight'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 Alight as soon as possible.
- **Authorization for Release of Medical Information.** You complete this form to allow Alight access to information about your medical care.

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

If Your Licensed Treating Healthcare Professional Does Not Respond

Alight 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 Alight 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 Alight. The fax number is 720-456-4784 and is included on the form. If Alight does not receive the form within this period, your claim will be denied and your case closed.

Return the following forms to your human resource office:

- **Short-Term Disability Repayment Agreement.** This agreement states that you will reimburse your employer for any overpayment of 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 Alight 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 Alight. Your human resource office, a family member or friend can assist you:

- **Authorization for Release of Medical Information.** Submit this form to allow Alight access to information about your medical care.
- **Long-Term Disability Repayment Agreement.** This agreement states that you will reimburse Alight for any overpayment of VSDP benefits while on long-term disability. Have this form notarized before returning it to Alight.
- **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 Aight. 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 varetire.org.
- **W-4 Form.** Complete this form and return it to Aight to elect your tax filing options.

CONFIDENTIALITY

Aight 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%, 80% or 60% 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.



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% 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.

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 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, Alight 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% of your pre-disability income. Therefore, you will not receive a VSDP benefit unless your workers' compensation benefit is reduced to less than 60% or ends, or your income replacement increases to 80% 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% INCOME REPLACEMENT

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

Workers' Compensation Benefit Calculation	Example
Average Weekly Wage	\$ 1,250.00
× 66⅔% Workers' Compensation Adjustment	× 0.6667
Weekly Workers' Compensation Benefit	\$ 833.38
VSDP 100% Work-Related Benefit Calculation	
Weekly Wage	\$ 1,250.00
× 100% VSDP Income Replacement	× 1.00
Weekly VSDP Benefit at 100%	\$ 1,250.00
× 33⅓% Adjustment to VSDP Benefit (66⅔% + 33⅓% = 100%)	× 0.3333
Weekly Supplemental VSDP Amount	\$ 416.62
+ Weekly Workers' Compensation Benefit	+ 833.38
Total Weekly Work-Related Disability Benefits at 100% Income Replacement	\$ 1,250.00

WORKERS' COMPENSATION EXAMPLE: 80% INCOME REPLACEMENT

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

Workers' Compensation Benefit Calculation	Example
Average Weekly Wage	\$ 1,250.00
× 66⅔% Workers' Compensation Adjustment	× 0.6667
Weekly Workers' Compensation Benefit	\$ 833.38
VSDP 80% Work-Related Benefit Calculation	
Weekly Wage	\$ 1,250.00
× 80% VSDP Income Replacement	× 0.80
Weekly VSDP Benefit at 80%	\$ 1,000.00
VSDP Supplemental Benefit Calculation	
Average Weekly Wage	\$ 1,250.00
× 13⅓% Adjustment to VSDP Benefit (66⅔% + 33⅓% = 80%)	× 0.1333
Weekly Supplemental VSDP Amount	\$ 166.62
+ Weekly Workers' Compensation Benefit	+ 833.38
Total Weekly Work-Related Disability Benefits at 80% Income Replacement	\$ 1,000.00

WORKERS' COMPENSATION EXAMPLE: 60% INCOME REPLACEMENT

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

Workers' Compensation Benefit Calculation	Example
Average Weekly Wage	\$ 1,250.00
× 66⅔% Workers' Compensation Adjustment	× 0.6667
<hr/>	
Weekly Workers' Compensation Benefit	\$ 833.38*
 VSDP 60% Work-Related Benefit Calculation	 Example
Weekly Wage	\$ 1,250.00
× 60% VSDP Income Replacement	× 0.60
<hr/>	
Weekly VSDP Benefit at 60%	\$ 750.00*

*Sam's workers' compensation benefit exceeds his 60% income replacement level. Therefore, he will not receive a VSDP benefit. If his workers' compensation benefit is reduced to less than 60% or ends, or if he is eligible for income replacement at 80% for a catastrophic condition, Sam will receive a VSDP benefit to bring him to 60% 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 Offset Worker's 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 800-772-1213 or visit 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 Alight determines that you also may be eligible for SSDI, Alight 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.

Note: If you wish to use an advocacy service other than Alight'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
× VSDP 60% Income Replacement	× 0.60
VSDP Long-Term Disability Monthly Benefit	\$ 3,000.00
- SSDI Monthly Disability Benefit	- 1,000.00
Amount of Adjusted VSDP Benefit	\$ 2,000.00
+ SSDI Monthly Disability Benefit	+ 1,000.00
Total Monthly Long-Term Disability Benefits at 60% Income Replacement	\$ 3,000.00

Note: If your family is eligible for SSDI benefits due to your disability, 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% 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%, unless you are diagnosed with a catastrophic or major chronic condition and qualify for income replacement at 80% 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.



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. If you are eligible for the Commonwealth of Virginia (COV) Voluntary Group Long Term Care Insurance Program or have other long-term care insurance, you may be able to coordinate with the VSDP Long-Term Care Plan to obtain even more coverage.

You are eligible for benefits when a licensed healthcare practitioner certifies that:

- You are unable to perform at least two of six activities of daily living 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 practitioner certifies that you qualify for long-term care benefits.

Six Activities of Daily Living

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

VSDP LONG-TERM CARE PLAN HIGHLIGHTS

Plan Sponsor	The Virginia Retirement System (VRS) administers the long-term care program as part of the Virginia Sickness and Disability Program (VSDP).
Plan Administrator	VRS has contracted with illumifin Corp. to administer benefits under the plan. For more information about your coverage or to apply for benefits, contact illumifin Corp. toll-free at 800-761-4057 or P.O. Box 64011, St. Paul, MN 55164-0011.
Eligible Participants	You are covered automatically under the VSDP long-term care plan if you participate in the Virginia Sickness and Disability Program (VSDP).
Benefit Eligibility	You are eligible for benefits when a licensed healthcare practitioner certifies that you: <ul style="list-style-type: none"> • Are unable to perform at least two of six activities of daily living (see previous page); or • Have a severe cognitive impairment requiring substantial supervision to protect you from threats to health and safety.
Daily Benefit Maximum Amount	\$96 per day. This is the maximum amount of coverage the plan will pay for covered services in any single day.
Lifetime Maximum Amount	\$70,080. The lifetime maximum amount is based on the maximum daily benefit amount of \$96 multiplied by 730 days (two years): \$96 x 730 days = \$70,080. Your coverage ceases when your total benefit payouts reach \$70,080, regardless of how long you receive benefits.
Premiums	No charge as an active VSDP participant. See Portability below.
How Benefits Are Paid	Your coverage pays a benefit equal to the lesser of: <ul style="list-style-type: none"> • Actual qualified expenses incurred per day; or • Allowable daily benefit amount.
Elimination Period	Your benefits are payable 90 calendar-days after the beginning of each incident certified by a licensed healthcare practitioner as eligible for VSDP long-term care benefits.
Portability	If you leave your VSDP-covered position, you can continue coverage in the VSDP Long-Term Care Plan at group rates. You must elect to continue your coverage within 60 days of leaving VSDP-covered employment. You will pay the premiums. See If You Leave or Retire from Your Position in this chapter. For more information, call illumifin Corp. toll-free at 800-761-4057.

VSDP LONG-TERM CARE PLAN BENEFITS

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

Nursing Care Facility	<ul style="list-style-type: none"> • Up to 100% of the maximum daily benefit amount (\$96). • Provides skilled and custodial care in a nursing care facility that meets all applicable licensing requirements.
Assisted Living Facility	<ul style="list-style-type: none"> • Up to 100% of the maximum daily benefit amount (\$96). • Personal services and care in an assisted living facility that meets all applicable licensing requirements.
Hospice Care Facility	<ul style="list-style-type: none"> • Up to 50% of the maximum daily benefit amount (\$48). • If you are terminally ill, provides care in a hospice facility that meets all applicable licensing requirements.
Home Health Care	<ul style="list-style-type: none"> • Up to 50% of the maximum daily benefit amount (\$48). • Custodial care, nursing care, therapy and homemaker services provided in your home by nurses, social workers, home health aides or other licensed or certified practitioners.
Adult Day Care Center	<ul style="list-style-type: none"> • Up to 50% of the maximum daily benefit amount (\$48). • Community-based, group setting for adults.
Hospice Care Agency	<ul style="list-style-type: none"> • Up to 50% of the maximum daily benefit amount (\$48). • If you are terminally ill, provides care in your home by a hospice care agency that meets all applicable licensing requirements.
Alternate Plan Benefit	<ul style="list-style-type: none"> • Up to 50% of the maximum daily benefit amount (\$48). • May cover an alternate plan of care developed by your licensed healthcare practitioner, provided you, your physician and illumifin Corp. agree to the plan.
Transitional Care	<p>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.</p>
Informal Care Benefit	<p>Up to 25% 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.</p>

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.

Informal Caregiver Training	One payment each time you are receiving benefits to provide for the training of your personal caregiver by a licensed healthcare practitioner. The payment is equal to the lesser of the actual amount of the cost of training or three times the maximum daily benefit amount (\$288). This benefit does not reduce your lifetime maximum benefit.
Bed Reservation	If you are in a covered facility, such as a nursing home, and you have to be hospitalized, the plan covers up to 100% of the maximum daily benefit amount (\$96) for up to 21 days per calendar year.
Respite Care	Up to 50% 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 illumifin Corp. as the third-party administrator for the VSDP Long-Term Care Plan. Call illumifin Corp., toll-free at 800-761-4057 within 60 days of certification by a licensed healthcare practitioner 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 illumifin Corp. within 60 days of your last day of employment. This option is not available after 60 days. The forms are available at 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% of your current daily benefit amount, compounded each year of the preceding five years. This amount plus your previous daily benefit amount will become your new daily benefit amount for the next five-year period. If you decline the first offer, you will not receive any further opportunities to increase coverage.

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

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

COMMONWEALTH OF VIRGINIA VOLUNTARY GROUP LONG TERM CARE INSURANCE PROGRAM

The employee-paid Commonwealth of Virginia (COV) Voluntary Group Long Term Care Insurance Program provides a maximum monthly benefit for covered long-term care expenses. VRS has contracted with Genworth Life Insurance Co. as the insurer for the program. State employees are eligible to apply for coverage, along with select family members.

You must be:

- Over age 18.
- Work at least 20 hours per week.

Eligible family members must be between the ages of 18 and 75 and undergo full medical underwriting. They include:

- Your spouse or surviving spouse.
- Adult children.
- Parents, parents-in-law, step parents and step parents-in-law.
- Siblings.
- Grandparents, grandparents-in-law, step grandparents and step grandparents-in-law.

Other program features:

- Reduced medical underwriting (proof of good health) for employees age 65 and under who apply within 60 days of employment. Full medical underwriting will be required after 60 days or if the employee is over age 65.
- At group rates, your premiums may be more affordable. You will pay your premiums directly to Genworth.
- You can choose one of three benefit increase options that will allow you to increase your coverage over time to help protect against the rising cost of care.
- If you are eligible for the VSDP Long-Term Care Plan or have other long-term care insurance, you may be able to coordinate with the voluntary program to obtain even more coverage.

DEFERRED MEMBERS AND RETIREES

If you leave employment and become a deferred member with at least five years of service credit, or if you are receiving a VRS retirement benefit, you are eligible to apply for the COV Voluntary Group Long Term Care Insurance Program, provided you are age 75 or under. Your former employer is not required to have elected the program. Medical underwriting will be required.

For more information about the program, contact Genworth toll-free at 866-859-6060 or visit [genworth.com/cov](https://www.genworth.com/cov).

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 or retirement date that occurs over a period you normally would work. Periods of leave with or without pay and summer breaks do not count toward satisfying this break in service.

Catastrophic Condition

A catastrophic condition is so severe that you are unable to perform at least two of six activities of daily living without substantial assistance or you have a severe cognitive impairment requiring substantial supervision to protect you from threats to health and safety.

Claim Review

VRS has contracted with Alight as the third-party administrator for the Virginia Sickness and Disability Program (VSDP). Alight reviews all claims for VSDP benefits and notifies you in writing of the approval or denial of your claim. Call Alight toll-free at 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 illumifin Corp. Call toll-free 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% or 60% to 100% while on disability. If you go on long-term disability, you must use these credits. Eight disability credits equal one day of 100% income replacement.

If you leave employment, you will be paid for 25% 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 Healthcare Professional

Under VSDP, a licensed treating healthcare professional means a doctor of medicine or osteopathy who is licensed to practice medicine or surgery. Licensed podiatrists, optometrists, chiropractors, clinical psychologists and clinical social workers also are considered licensed treating healthcare professionals.

Major Chronic Condition	A major chronic condition is a life-threatening health condition that exists over a prolonged period of time and is not expected to improve.
Partial Disability	If you have a partial disability, you have the capacity to perform some work, such as working part time in your current job or in a different position. If you have a total disability, you cannot work at all.
Plan 1	You are covered under 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 service credit and/or ORP participation that totals five years as of January 1, 2013, to be considered a Plan 1 member.
Plan 2	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.
Pregnancy	VSDP provides up to six weeks of post-partum income replacement following a normal delivery or C-section.
Qualifying Periods for Benefits	<ul style="list-style-type: none">• Seven-calendar day elimination period. Disability benefits begin on the eighth day of your disability.• One-year waiting period for non-work-related short-term disability coverage. After one year of continuous participation in VSDP with your current employer, you will become eligible for non-work-related short-term disability coverage.• Five-year eligibility period for higher income replacement levels. After five years of continuous participation in VSDP with your current employer, you will become eligible for higher income replacement levels if you go on short-term disability.• 90-calendar day waiting period for long-term care benefits. 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.

Rehabilitation Plan

If you need medical or vocational rehabilitation to return to work, Alight will work with you, your licensed treating healthcare professional and your employer to develop a plan. This plan is not the same as a therapeutic treatment plan, such as physical therapy, which your doctor may prescribe as part of your treatment regimen.

Transitional Plan

If you can perform some of your duties but are not ready to resume your full schedule, Alight 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.



ABOUT VRS

Plan: The Virginia Retirement System (VRS) is administered based on the plan year July 1 to June 30. VRS is governed by the provisions of Title 51.1 of the *Code of Virginia* and other applicable law. Changes to the law can be made only by an act of the General Assembly.

Administration: VRS is an independent state agency. As provided under the *Constitution of Virginia*, VRS funds are separate from other state funds and can be used only to administer and pay benefits for members, retirees and beneficiaries. The Board of Trustees administers and is trustee of the funds of the Virginia Retirement System Trust, including Plan 1, Plan 2, the defined benefit component of the Hybrid Retirement Plan, and Plan 1 and Plan 2 hazardous duty benefits for political subdivision employees; the State Police Officers' Retirement System Trust, including Plan 1 and Plan 2; the Virginia Law Officers' Retirement System Trust, including Plan 1 and Plan 2; the Judicial Retirement System Trust, including Plan 1 and Plan 2, and the defined benefit component of the Hybrid Retirement Plan for judges; the Virginia Sickness and Disability Program (VSDP) Trust for state employees, including VSDP long-term care; the Virginia Local Disability Program (VLDP) Trust for eligible school division and political subdivision employees, including VLDP long-term care; a disability retirement option for certain members not covered under VSDP or VLDP; the Hybrid 457 Deferred Compensation Plan; the Hybrid 401(a) Cash Match Plan; the Optional Retirement Plan for Political Appointees, the Optional Retirement Plan for School Superintendents, the Optional Retirement Plan for Employees of Higher Education; the Commonwealth of Virginia 457 Deferred Compensation Plan; the Virginia Cash Match Plan; the Virginia Supplemental Retirement Plan; the Group Life Insurance Program; the Retiree Health Insurance Credit Program; and the Line of Duty Death and Health Benefits Trust Fund.

In addition, the Board administers or has substantial oversight responsibilities for the Benefit Restoration Plan, the Commonwealth of Virginia Voluntary Group Long Term Care Insurance Program, and the Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund Program, as well as benefit eligibility determinations under the Line of Duty Act in Title 9.1 of the *Code of Virginia*.

Nine members serve on the VRS Board of Trustees. Their appointment is shared between the executive and legislative branches of state government. The Governor appoints five members, including the chairman. The Joint Rules Committee of the Virginia General Assembly appoints four members. The General Assembly confirms all appointments. Of the nine Board members, four must be investment experts; one must be experienced in employee benefit plans; one must be a local government employee; one must be an employee of a Virginia public institution of higher education; one must be a state employee; and one must be a public school teacher. The public employee members may be active or retired.

The Board appoints the director of the Virginia Retirement System, who serves as chief administrative officer, as well as the chief investment officer and the internal audit director.

Visit varetire.org/about for a current listing of VRS executive staff and the individual members who serve on the Board of Trustees.

Employees Eligible for Membership: Membership in VRS is automatic with employment in a covered position. Covered employment is a full-time permanent, salaried position with a VRS-participating employer. Some part-time permanent, salaried state positions also are covered under VRS. Participating employers include state agencies, public colleges and universities, local public school divisions and political subdivisions that have elected to participate in VRS.

VRS' Relationship With Employers: VRS administers benefits on behalf of employers that participate in VRS. Employers are not agents of VRS nor do they act at the direction of VRS. A list of participating employers is available at varetire.org.

WANT TO LEARN MORE ABOUT YOUR VRS BENEFITS?

Meet with a counselor at the VRS Retirement Counseling Center at 1111 East Main Street, Richmond, VA 23219. Sessions are held on a first-come, first-served basis with limited scheduled appointments available. The hours are 8:30 a.m. – 4 p.m., Tuesday and Wednesday. Go to varetire.org for directions to the center and the parking deck; the first hour of parking is free. You can also schedule a virtual one-on-one counseling appointment at varetire.org/education.

Also, take advantage of free member education opportunities. Schedules and registration are available on the VRS website; select Education from the VRS homepage. For Deferred Compensation Plan Regional Education Meetings, select the Defined Contribution Plans button.



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