

Virginia Sickness and Disability Program Handbook for Participants



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Introduction

If you become disabled and cannot work, you have protection through the Virginia Sickness and Disability Program (VSDP). The program includes sick leave, family and personal leave, short-term and long-term disability benefits and a long-term care program.

The Virginia Retirement System (VRS) administers the Virginia Sickness and Disability Program in conjunction with UnumProvident, a third-party administrator. If you have questions about your benefits, contact your human resource officer or visit the VRS Web site at www.varetire.org. You also may write to the Virginia Sickness and Disability Program c/o UnumProvident, 2211 Congress Street, Portland, ME 04122 or call 1-800-652-5602 for assistance.



The Virginia State Capitol

Information contained in the Virginia Sickness and Disability Program Handbook is governed by Title 51.1 of the Code of Virginia. This information is intended to be general. It cannot be complete in all details and cannot supersede or restrict the authority granted by the Code of Virginia, which may be amended from time to time.

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Your VSDP Benefits at a Glance

Benefit	When Coverage Begins	Amount of Coverage
Sick Leave	First date of employment.	20-80 hours per year, based on total months of full-time or part-time salaried state employment.
Family and Personal Leave	First date of employment.	16-40 hours per year, based on total months of full-time or part-time salaried state employment.
Short-Term Disability	After a seven-calendar-day waiting period.	Income replacement of 100%, 80% or 60% of salary for up to 125 workdays.
Long-Term Disability	After the expiration of the maximum period of short-term disability.	Income replacement of 60% (80% for catastrophic disabilities).
Long-Term Care	First date of employment.	Up to \$75 a day for licensed nursing care, hospice care, home health care, adult day care or assisted living facility, up to a two-year lifetime maximum benefit of \$54,750.

Your Responsibilities as a VSDP Participant

As a participant in the Virginia Sickness and Disability Program, you are responsible for:

- Knowing and understanding your benefits through VSDP. If you have questions about your benefits, talk with your agency's human resource office.
- Notifying your agency's human resource office of your disability and filing a claim with UnumProvident in advance of your disability or within 14 days of the first day of your disability to ensure that you receive full benefits if your claim is approved. A family member, friend or other person may contact your agency's human resource office and UnumProvident on your behalf if you are unable to do so.
- Contacting your agency's human resource office, UnumProvident and the Office of Workers' Compensation regarding work-related disabilities.
- Authorizing your licensed treating professional to release your medical information to UnumProvident by signing the Claimant's Authorization form included in your VSDP introductory packet.
- Reviewing your VSDP introductory packet, which UnumProvident mails to you after your disability has been reported.
- Working with your licensed treating professional to ensure the timely delivery of medical information to UnumProvident.
- Maintaining communication with your supervisor while receiving disability benefits.
- Reporting all outside earned income to UnumProvident while you are on disability. Use the Outside Earned Income Reporting form included in your VSDP introductory packet or contact UnumProvident for a copy. If you are on short-term disability, send the form to your agency's human resource office. If you are on long-term disability or long-term disability-working, send the form directly to UnumProvident.
- Applying for Social Security Disability Insurance Benefits if you are eligible to receive them. If benefits are denied, you are required to pursue all levels of appeal as deemed appropriate by UnumProvident, and provide proof of filing. UnumProvident will assist you in the process of obtaining Social Security benefits upon approval of long-term disability benefits. (See Chapter 9 on Social Security Disability Insurance Benefits.)
- Reporting any changes in your disability to your agency's human resource office and UnumProvident immediately.

What if I'm not getting better as quickly as my licensed treating professional thought I would?

At any time, if there is a significant change in your condition, such as complications, you and your licensed treating professional should call UnumProvident at 1-800-652-5602. If you are unable to call UnumProvident, a family member, friend, your human resource officer or other person may call on your behalf.

Introduction to the Virginia Sickness and Disability Program



When you join the Commonwealth of Virginia as a full-time or part-time salaried employee, you are automatically enrolled in the Virginia Sickness and Disability Program (VSDP). The VSDP provides eligible employees with income protection during periods of partial or total disability, whether work-related or non-work related. The program includes sick leave, family and personal leave, short-term disability, long-term disability and long-term care benefits. The program encourages rehabilitation to help you return to gainful employment as soon as medically appropriate.

Eligible Employees

The following employees are eligible for VSDP benefits:

- Full-time and part-time salaried state employees who are active members of the Virginia Retirement System (VRS).
- Active members of the State Police Officers' Retirement System (SPORS).
- Active members of the Virginia Law Officers' Retirement System (VaLORS).

- Full-time teaching, research or administrative faculty of a Virginia public institution of higher education who participate in VRS.
- Part-time faculty members covered under VRS.

Newly hired or appointed faculty of state universities of higher education in teaching, research or administrative positions who elect VRS as their retirement plan, may elect coverage under VSDP or any disability plan offered by the institution. If the institution does not offer an alternative disability plan, the faculty member is automatically covered under VSDP.

Ineligible Employees

The following employees are not eligible for VSDP benefits:

- Members of the Judicial Retirement System (JRS).
- Employees of political subdivisions.
- Employees of public school divisions.
- Wage employees and adjunct faculty.
- Teaching, research and administrative faculty of Virginia public institutions of higher education who participate in the Optional Retirement Plan (ORP).
- Employees participating in a non-VRS retirement plan.
- Virginia Port Authority employees who are not members of VRS.
- Department of Visually Handicapped employees pursuant to Section 51.5-72 of the *Code of Virginia*.

- Former state employees of the Virginia Department of Health who have been transferred to local governments.
- Food service employees of the Virginia Museum of Fine Arts.
- Employees of the Medical College of Virginia Hospitals Authority.
- Employees of the University of Virginia Medical Center.
- Employees who participate in the Optional Retirement Plan for Political Appointees.
- Employees who are suspended without pay for disciplinary reasons, including suspensions pending investigation or court decision, for the duration of the suspension only.
- Employees on leave without pay or on unpaid Family Medical Leave.

Enrollment in the Program

New employees, as of January 1, 1999, are automatically enrolled in VSDP, with coverage effective the first day of employment. Employees who did not opt out of the program during the 2002 open enrollment are also covered under VSDP.

Employees who enrolled in the program when it was first offered had the option of converting their accumulated sick leave to disability credits or using it to purchase service credit for retirement. Employees who converted their sick leave to disability credits may use these credits to increase their income replacement during periods of disability. Any remaining balance of disability credit is paid at the time of termination of employment or service retirement or may be converted to VRS service credit.



On January 10 of each calendar year, you are credited with 32 to 80 hours of sick leave, depending on your months of full-time or part-time salaried state service, which you may use during that calendar year.

Your total months of service include active service in your state position, leave for military service and/or leave resulting from a layoff or temporary workforce reduction. Your service also includes periods of short-term and long-term disability during which you were working with reduced hours or with job restrictions.

If you are receiving short-term or long-term disability benefits on January 10, you will be granted sick leave on the date you return to active employment.

Current Full-time

Months of State Service	Hours of Sick Leave
Fewer than 60	64
60 to 119	72
120 or more	80

Current Part-time

Months of State Service	Hours of Sick Leave
Fewer than 120	32
120 or more	40

Crediting of Sick Leave for Newly Hired State Employees

When you are first employed or re-employed in a position covered under VSDP, the amount of sick leave you receive during your first year of employment is based on whether you are full-time or eligible part-time as follows:

New and Re-employed Full-time Employees

Employment Begin Date	Hours of Sick Leave
January 10 – July 9	64
July 10 – January 9	40

New and Re-employed Part-time Employees

Employment Begin Date	Hours of Sick Leave
January 10 – July 9	32
July 10 – January 9	20

Use of Sick Leave

You may use your sick leave for illness, injury or pregnancy and for visits to licensed treating professionals. Sick leave may not be not used while you are receiving disability benefits.

You may use up to 33 percent of your sick leave if you need to be absent from work because of an illness of an immediate family member as provided under the Department of Human Resource Management's (DHRM) policy on Family Medical Leave. Immediate family members include your spouse; natural or adoptive parents and biological, adopted, foster or stepchildren or legal wards provided they are under 18 years of age or, if over 18, incapable of self-care because of a physical or cognitive disability. (See Chapter 8 for more information on the Family and Medical Leave Act.)

You also may be able to participate in the state's Leave Share Program for family illnesses that qualify under the Family and Medical Leave Act (FMLA). See the DHRM Leave Share policy for additional information at www.dhrm.virginia.gov.

If you work in a 9-, 10-, or 11-month position, you may not use sick leave during the months you are not working.

Unused Sick Leave

You may not carry forward unused sick leave to a new calendar year or be paid for any unused sick leave when you terminate employment.

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Family and Personal Leave



In addition to sick leave, you are credited with up to five days of family and personal leave on January 10 of each calendar year. The amount of leave you receive is based on your total months of full-time or eligible part-time salaried state employment as of January 10, as shown in the tables on this page.

Your total months of service include active service in your state position, leave for military service and/or leave resulting from a layoff or temporary workforce reduction. Your service also includes periods of short-term and long-term disability during which you were working with reduced hours or with job restrictions.

If you are receiving short-term or long-term disability benefits on January 10, you will be granted family and personal leave on the date you return to active employment.

Current Full-time

Months of State Service	Family and Personal Leave Hours
Fewer than 120	32
120 or more	40

Current Part-time

Months of State Service	Family and Personal Leave Hours
Fewer than 120	32
120 or more	40

Crediting of Family and Personal Leave for Newly Hired State Employees

When you are first employed or re-employed in a position covered under VSDP, the amount of family and personal leave you receive during your first year of employment is based on your first date of employment, as follows:

New and Re-employed Full-time and Part-time

Employment Begin Date	Family and Personal Leave Hours
January 10 – July 9	32
July 10 – January 9	16

Use of Family and Personal Leave

You may use family and personal leave for absences due to personal and family reasons, and for personal illnesses or injuries, with the approval of your supervisor. You should give reasonable notice to your supervisor, and your absence must not impede the agency's performance of essential services.

Family and personal leave also can be used to supplement income during periods of disability. (See Chapter 4 for more information.)

Unused Family and Personal Leave

You may not carry forward unused family and personal leave to a new calendar year or be paid for any unused leave when you terminate employment.



Short-term disability benefits provide you with income protection for up to 125 workdays if you become disabled and cannot work. The 125 workday period is based on a Monday through Friday work week and includes holidays.

Benefits cover absences due to most medical conditions, including work-related and non-work related illnesses and injuries, as well as complications resulting from pregnancy.

Seven-Calendar-Day Waiting Period

Your short-term disability benefits begin after a seven-calendar-day waiting period. If you are an eligible full-time employee and work for 20 hours or less during the seven-calendar-day waiting period or if you are an eligible part-time employee and work 10 hours or less, you will be considered to have fulfilled the seven-calendar-day waiting period. You will not have to satisfy a waiting period if UnumProvident determines at the onset of your disability that your disability is the result of a major chronic or catastrophic condition. (See sections on Major Chronic Condition and Catastrophic Conditions in this chapter.)

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

Reporting Your Disability

If you know in advance when you will be disabled, such as for a scheduled surgery or childbirth, you should notify your human resource office and UnumProvident as soon as possible. Doing so will ensure that your request for benefits will be evaluated without any disruption or delay in the review of your claim. You will not receive benefits more than 14 days before the date you report your disability to UnumProvident.

Days of Income Replacement

If your claim is approved by UnumProvident, income replacement begins on the eighth calendar day from your date of disability. Income replacement begins at 100 percent of the salary you are earning at the time you become disabled. Income replacement reduces to 80 percent and 60 percent during the course of your disability, based on your months of state service, as shown in the table above.

Major Chronic Condition

If UnumProvident determines at the onset of your disability that it is a major chronic condition, you will not have to satisfy the seven-calendar-day waiting period. A major chronic condition is a life-threatening health condition that exists over a prolonged period of time and is not expected to improve in the foreseeable future. UnumProvident determines if your

condition is chronic and life threatening, using the following criteria:

- You must be determined to be disabled by a licensed treating professional.
- You must have been disabled with this condition within six months before the date you report your disability to UnumProvident.
- You must be under the ongoing care of a licensed treating professional for this condition.

All cases of major chronic conditions are reviewed and handled on a case-by-case basis.

Continuing Periods of Short-Term Disability Due to the Same Condition

It is your responsibility to notify UnumProvident each time you are absent from work as a result of a disability.

If you are released to return to your pre-disability job on a full-time basis and performing the duties of the job without restrictions, and you again become disabled due to the same condition, your disability will be considered a continuation of the prior disability if:

- You work fewer than 14 consecutive calendar days after a non-major chronic condition; or

- You work fewer than 28 consecutive calendar days after a major chronic condition.

You will not have to satisfy another seven-calendar-day waiting period for benefits to begin if these conditions are met. The time worked, however, counts towards the maximum 125 workdays of short-term disability.

If, after working 14 consecutive calendar days or more after a non-major chronic condition, you again become unable to work, your disability will be considered a new period of short-term disability. You must satisfy a new seven-calendar-day waiting period before benefits begin again. After the waiting period, your income replacement begins again at 100 percent of your pre-disability income.

If, after working 28 consecutive calendar days or more after a major chronic condition, you again become unable to work, your disability will be considered a new period of short-term disability. You will not have to satisfy a seven-calendar-day waiting period as long as your condition continues to be deemed major chronic by UnumProvident. Your income replacement begins again at 100 percent of your pre-disability income.

Catastrophic Conditions

If it is determined that your disability is catastrophic, your 60-percent income replacement level will be increased to 80 percent for the duration of your disability.

In consultation with your licensed treating professional, UnumProvident will evaluate your condition to determine whether it is catastrophic. A condition is considered catastrophic if you are unable to perform at least two of the following activities of daily living, without assistance:

- Bathing
- Dressing
- Eating
- Controlling the bladder or bowel
- Toileting (ability to get on and off the toilet and a reasonable level of personal hygiene)
- Transferring (getting in or out of bed or chairs)

You also may be eligible for benefits for catastrophic disability if you are placed in a guardianship or under supervision because of a severe cognitive impairment.

If your condition improves so you no longer meet the criteria for catastrophic disability, but you are still on short-term disability, your income replacement will return to 60 percent of your pre-disability income.

Short-Term Work-Related Disability

If your disability is the result of a work-related injury or illness, you may be eligible for Workers' Compensation benefits. You must file a claim for short-term disability under VSDP and the Workers' Compensation Act to receive the full benefits to which you may be entitled. While your Workers' Compensation claim is being reviewed, UnumProvident will manage your disability

as non-work related, including the seven-calendar-day waiting period followed by the 125-workday period for short-term disability.

If your Workers' Compensation claim is approved, it will become your primary short-term disability benefit. You will receive two-thirds of your average weekly salary at the time of your disability, within limits established by the Workers' Compensation Commission. VSDP will supplement this benefit up to your applicable income replacement level. The VSDP benefit supplements the Workers' Compensation benefit if the Workers' Compensation benefit is less than your VSDP guaranteed income replacement. The table below shows the number of days and the percentage of income replacement allowed, based on state service, for a work-related disability under VSDP.

In the event you are given a lump-sum settlement under Workers' Compensation, the amount of the settlement will be prorated over the period during which you received VSDP disability benefit. Payments made under the Workers' Compensation Act for permanent partial disabilities and medical, legal or rehabilitation expenses are not included in determining the prorated amount. (See example, page 11.)

Days of Income Replacement – Work-Related Disability			
Months of State Service	Workdays of Income Replacement at 100%	Workdays of Income Replacement at 80%	Workdays of Income Replacement at 60%
Less than 60	65	25	35
60-119	85	25	15
120 or more	85	40	0

Example of How Benefits Are Calculated for Lump-Sum Settlements

You are receiving \$600 a week under Workers' Compensation and you accept a lump-sum settlement in the amount of \$12,000. The \$12,000 includes a payment of \$6,000 to cover both medical and legal expenses. After subtracting the medical and legal expenses from the \$12,000, the net lump-sum payment of \$6,000 would be divided by the \$600 per week payment you would have received if you had not accepted the settlement ($\$6,000 \div \$600 = 10$ weeks).

The VSDP supplemental benefit would apply as though the weekly Workers' Compensation benefit was being paid for a period of 10 weeks. After the 10 weeks, the full VSDP benefit would be paid at the appropriate income replacement level.

Return-to-Work Programs

To assist you with rehabilitation, UnumProvident will work with you, your human resource office and your licensed treating professional to coordinate your return-to-work. Information regarding the physical activities you can safely perform, taking into consideration how long you can sit, stand, walk or drive, and how many pounds you can safely lift or carry, will be included in the evaluation. The evaluation may include assisting you and your employer in making reasonable job modifications.

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. If your agency offers a return-to-work program, you will be notified of the date you are expected to return-to-work and the period of time the program will be offered.

You will continue to receive your VSDP disability benefit while working under a return-to-work program. Your VSDP benefit will be adjusted by any income you earn while in the program. (See example on page 12.)

On-Site Medical and Vocational Rehabilitation

VSDP sponsors on-site medical and vocational case management during periods of short-term disability. The goal is to assist you with rehabilitation and a safe return to gainful employment. You may be required to participate in such a plan while you are receiving short-term disability benefits. The plan may be a medical plan prescribed for you by your licensed treating professional or a vocational rehabilitation or return-to-work plan coordinated on your behalf by UnumProvident, your agency or a rehabilitation services provider. The plan must be consistent with your licensed treating professional's recommendations regarding your ability to return-to-work.

The first priority is to return you to your same job and agency. If that is not possible, UnumProvident will work with you, your human resource office and your licensed treating professionals to attempt to return you to another position. Placement options may include working at the same agency in a different job, working at another agency or working in a non-state position.

The vocational rehabilitation counselor will take the following into account in working with you on a formal vocational rehabilitation plan:

- Physical/mental capabilities
- Educational background
- Work history
- Transferable skills
- Pre-disability wages and salary
- Interests
- Aptitudes

The purpose of return-to-work and vocational rehabilitation plans is to return you to work safely. Your compliance with the plan is required to achieve this goal. If you do not comply with your plan, your short-term disability benefits may be reduced or discontinued, and you may be subject to disciplinary action or termination from your job.

Adjustments to Short-Term Disability Payments

Your short-term disability benefit payments will be adjusted by any payments you receive or are eligible to receive from the following sources:

- Wages or salary reported on W-2 forms and income from self-employment. The amount of the adjustment is 100 percent, 80 percent or 60 percent of that income, depending on the income replacement level you are receiving under the VSDP.
- Disability payments from the Social Security Administration or other similar governmental disability program you or your family receive for the same disability for which you are receiving VSDP benefits.

- Benefits received from any other state agency-sponsored group insurance contract for the purpose of providing income replacement for the same condition, not including any disability insurance you purchase directly.
- Benefits paid under any compulsory benefits law, such as Workers' Compensation, severance or unemployment compensation.
- Benefits paid under any other governmental disability program, including military disability benefits, local government disability benefits and federal civil service benefits that are paid for the same disabling condition.

Cost-of-living increases from any of the above sources are not included in the adjustment of your VSDP benefit.

Adjustments for Earned Income While on Short-Term Disability

It is your responsibility to provide UnumProvident with information about additional earned income while you are on short-term disability. Your VSDP introductory packet, which UnumProvident mails to you, includes an Outside Earned Income Reporting form, or you may contact UnumProvident for a copy. (See page 2 for contact information.)

Your VSDP short-term benefit will be adjusted according to any outside earnings you make while you are on short-term disability. (See example below.)

When Short-Term Disability Benefits End

Your short-term disability benefits will end under one of the following conditions:

- You are able to perform the full duties of your pre-disability job on a full-time basis without restrictions.

- Your short-term disability period ends and you begin receiving long-term disability benefits. (See Chapter 5 on Long-Term Disability.)
- You leave state employment and take a refund of your VRS member account. For more information regarding requesting a refund, consult your human resource office, the latest *Handbook for Members* or the VRS Web site at www.varetire.org.
- You retire from your VRS-covered position.
- You do not cooperate or comply with the requirements of VSDP.
- In the event of your death.

Death-in-Service Benefits

Your survivor may be eligible for a benefit if you die while you are on short-term disability. Your survivor should contact your agency's human resource office for more information about death-in-service survivor benefits.

Example of How Short-Term Disability Benefits Are Adjusted for Earned Income

Your pre-disability income is \$5,500 per month. While you are on disability, you earn \$2,750 per month from other sources. Your VSDP benefit is recalculated as follows:

100-percent income replacement level

$\$5,500 - \$2,750 \times 100\% = \$2,750$, your adjusted short-term disability benefit at 100 percent of your pre-disability income.

80-percent income replacement level

$\$5,500 - \$2,750 \times 80\% = \$2,200$, your adjusted short-term disability benefit at 80 percent of your pre-disability income.

60-percent income replacement level

$\$5,500 - \$2,750 \times 60\% = \$1,650$, your adjusted short-term disability benefit at 60 percent of your pre-disability income.

To determine your total monthly income, add your outside earnings to the adjusted short-term disability benefit. In the case of the last example, $\$2,750 + \$1,650$ would come to \$4,400 of total combined income for one month.

Note that you will not receive more than 100 percent of your pre-disability income under the VSDP. In addition, if you do not report outside earnings, you will be required to repay, with interest, any overpayments of disability benefits you receive under the VSDP.



Long-term disability benefits provide you with income replacement if you become disabled and are unable to work for an extended period of time. Long-term disability benefits begin at the expiration of the maximum period of short-term disability.

While you are on long-term disability, you continue to accrue service as a VRS-covered member. Long-term disability participants are not considered employees of the Commonwealth of Virginia while they are on long-term disability, and your agency is allowed to recruit for and fill your position. Because of the length of long-term disability periods, you are not guaranteed the same job you had before your long-term disability.

Long-Term Disability-Working

You are eligible to receive long-term disability benefits while you are working. Long-term disability status is in effect if you are able to work 20 or more hours a week,

but are restricted from performing the full duties of your job or working your regular schedule. Long-term disability-working status also applies to eligible part-time employees. To receive the long-term disability benefits while working, you must have been working during short-term disability.

Amount of Income Replacement

Long-term disability benefits provide you with an income replacement of 60 percent of your pre-disability income, or 80 percent for a catastrophic condition (See Catastrophic Disability Benefits in this chapter.), including any salary increases you may have received while you were on short-term disability. You also may qualify for an annual cost-of-living adjustment, applied to your pre-disability income, in an amount recommended by the program actuary and approved by the VRS Board of Trustees.

Continuing Periods of Long-Term Disability for the Same Condition

If you return to work and are able to perform the full duties of your pre-disability job without any restrictions, but become disabled again from the same condition within 180 calendar days, your disability will be considered to be a continuation of the prior disability. You will go on long-term disability; no waiting period will be required.

During the first 24 months of your disability this provision applies if you return to work in your pre-disability job on a full-time basis and perform the full duties of the job.

After 24 months of disability, this provision applies if you return to work in your pre-disability job or any job for which you are reasonably qualified to perform based on your training and experience.

If you become disabled from the same condition after returning to work for 180 calendar days or more, you will need to file a claim for a new period of short-term disability and satisfy the seven-calendar-day waiting period, provided you are still working in a VSDP-eligible position.

If work is arranged through a vocational rehabilitation program or return-to-work program, or if you return to work with job modifications or reduced hours, the days you work are not counted as part of the 180-calendar-day limitation.

Catastrophic Conditions

If it is determined that your disability is catastrophic, your 60-percent income replacement level will be increased to 80 percent for the duration of your disability. In consultation with your licensed treating professional, UnumProvident will evaluate your condition to determine whether it is catastrophic and when the 80 percent disability payments begin.

A disability is determined to be catastrophic if you are unable to perform at least two of the following activities of daily living without assistance:

- Bathing
- Dressing
- Eating
- Controlling the bladder or bowel
- Toileting (ability to get on and off the toilet and a reasonable level of personal hygiene)
- Transferring (getting in out of bed or chairs)

You also may be eligible for benefits for catastrophic disability if you are placed in a guardianship or under supervision because of a severe cognitive impairment.

If your condition improves so you no longer meet the criteria for catastrophic disability, but you are still on long-term disability, your income replacement returns to 60 percent of your pre-disability income.

Long-Term Work-Related Disability

As in short-term disability, benefits paid under the Workers' Compensation Act during long-term disability are always the primary benefits; VSDP benefits are always secondary and supplement Workers' Compensation.

Your work-related long-term disability benefits are coordinated through VSDP and the Department of Human Resource Management's and the Office of Workers' Compensation. Benefit coordination includes multiple injuries or illnesses, one or more of which is work-related.

In the event you are given a lump-sum settlement under Workers' Compensation, the amount of the settlement will be prorated over the period of long-term disability. (See page 11.) Payments made under the Workers' Compensation Act for permanent partial disabilities and medical, legal or rehabilitation expenses are not included in determining the prorated amount.

Return-to-Work Programs

As in short-term disability, your human resource office is encouraged to provide reasonable job accommodations if you are on long-term disability. UnumProvident will work with you, your human resource office and your licensed treating professional to coordinate your return to work.

UnumProvident will obtain information from your licensed treating professional concerning the physical activities you can safely perform, including how long you can sit, stand, walk or

drive and how many pounds you can safely lift or carry. The evaluation may include assisting you to return to work with job modifications, where reasonable.

You will continue to receive your VSDP disability benefit while working under a return-to-work program; however, your VSDP benefit will be adjusted by any income you earn while in the program. (See Adjustments to Long-Term Disability Payments" on this page.)

On-Site Medical and Vocational Rehabilitation

You may be required to participate in a rehabilitation plan during the period of time you are receiving long-term disability benefits. The goal is to assist you with rehabilitation and a safe return to gainful employment.

The plan may be either a medical plan that is prescribed for you by your licensed treating professional or may be a vocational rehabilitation or return-to-work plan coordinated on your behalf by UnumProvident or a rehabilitation services provider. The plan must be consistent with your licensed treating professional's recommendations regarding your ability to return to work.

The goal of on-site medical and vocational rehabilitation services is to assist you in returning to work. Once you go on long-term disability, however, it may not always be possible to return you to your same job and agency because your previous position may no longer be available. In all cases, UnumProvident will assist you in your attempt to return to work.

The following will be taken into consideration when the vocational case manager assists you with writing and implementing your own formal vocational rehabilitation plan:

- Physical/mental capabilities
- Educational background
- Work history
- Transferable skills
- Pre-disability wages and salary
- Interests
- Aptitudes

It is important that you cooperate fully in trying to return to gainful employment. If you do not comply with vocational rehabilitation services, your long-term disability benefits may be reduced or stopped.

Adjustments to Long-Term Disability Payments

Your long-term disability benefit is adjusted by any payments received as a result of the same disability from the following sources:

- Wages and Salary you receive from employment. Wages and salary include income reported on W-2 forms and income from self-employment.

During the first six months you are on long-term disability, the amount of the adjustment depends on the income replacement level you are receiving under VSDP.

After the first six months of long-term disability benefits, an amount equal to 70 percent of your wages and salary from any employment.

- Disability benefit payments you or your family receive from the Social Security Administration or other similar governmental disability program.
- Benefits paid under any other governmental disability program, including military disability benefits, local government disability benefits and federal civil service benefits .
- Benefits received from any other state agency-sponsored group insurance contract for the purpose of providing income replacement.
- Benefits paid under any compulsory benefits law, such as Workers' Compensation, severance or unemployment compensation.

Cost-of-living increases from any of the above sources are not included in the adjustment of the VSDP benefit. It is your responsibility to provide UnumProvident with information about additional earned income. Use the Outside Earned Income Reporting form included in your VSDP introductory packet, or you may contact UnumProvident for a copy. If you are overpaid because you do not report earnings, you will be required to repay, with interest, any overpayments of disability benefits you received under the VSDP.

Computing Long-Term Disability Benefits When Working

If you are on long-term disability and working, your benefits are adjusted by any salary and wages from employment during the first six months of long-term disability, based on the income replacement level you are receiving under VSDP.

After the first six months of long-term disability, your benefits are adjusted by 70 percent of your wages and salary from employment, as shown in the example on page 16.

If your disability is work related and you are also receiving a Workers' Compensation benefit, the Workers' Compensation benefit is paid first. If the Workers' Compensation benefit is greater than the adjusted long-term disability benefit, no VSDP benefit is payable. Instead, your total income would be your Workers' Compensation benefit plus the full amount of your earned income.

Your VSDP benefit, when combined with other income from employment, may not exceed 100 percent of your pre-disability income.

When Long-Term Disability Benefits End

Long-term disability benefits end if:

- You are able to perform the full duties of your pre-disability job without any restrictions during the first 24 months of disability.
- You are able to perform the regular duties of any job for which you are reasonably qualified after 24 months of disability and you are earning 80 percent or more of your pre-disability income.
- You take a refund of your VRS contributions and interest.
- You do not cooperate or comply with the requirements of VSDP.
- You begin receiving a VRS service retirement benefit.
- In the event of your death.

Death-in-Service Benefits

Your survivor may be eligible for a benefit if you die while you are on long-term disability. Your survivor should contact your agency's benefits administrator for more information about death-in-service survivor benefits.

Example of Long-Term Disability Benefits When Working

Your pre-disability income is \$5,500 per month. You are working 50 percent of your normal hours, earning \$2,750 per month. The following is the formula for computing your adjusted long-term disability benefit:

During First Six Months of Disability

\$5,500 (pre-disability income) x 60% = \$3,300 (your long-term disability benefit)

\$2,750 (earned wages and salary from employment) x 60% = \$1,650

\$3,300 - \$1,650 = \$1,650 (your adjusted long-term disability benefit)

Your earned income of \$2,750 added to the adjusted long-term disability benefit of \$1,650 is \$4,400, your total income received from the combined sources.

After First Six Months of Disability

\$5,500 (predisability income) x 60% = \$3,300 (your long-term disability benefit)

\$2,750 (earned wages and salary from employment) x 70% = \$1,925

\$3,300 - \$1,925 = \$1,375 (your adjusted long-term disability benefit)

Your earned income of \$2,750 added to the adjusted long-term disability benefit of \$1,375 is \$4,125, your total income received from the combined sources.



As a participant in VSDP, you are eligible for a valuable long-term care (LTC) insurance benefit to help you plan for your future health care needs. This employer-paid benefit is underwritten by the Aetna Life Insurance Company.

Understanding Your Long-Term Care Coverage

The long-term care insurance plan pays a benefit when you cannot perform at least two of the following activities of daily living or have a severe cognitive impairment such as Alzheimer's:

- Bathing
- Dressing
- Eating
- Controlling the bladder or bowel

- Toileting (ability to get on and off the toilet and a reasonable level of personal hygiene)
- Transferring (getting in or out of bed or chair)

The plan pays a benefit for care wherever you are most comfortable – at home or in a facility. The plan pays a daily benefit of up to \$75 per day, depending on the level of care and charges made. There is a two-year, lifetime maximum benefit of \$54,750. Benefits begin after a once-in-a-lifetime 90-day period following a certified, qualifying loss.

Your Primary Coverage

Long-term care insurance provides coverage for qualified long-term care services in a variety of settings:

Environment/Facility	Coverage Amount
Nursing Facility Care	Expenses up to 100% of the Daily Benefit Allowance (DBA) for care received at a nursing facility including skilled and custodial care.
Assisted Living Facility Care	Expenses up to 100% of the DBA for personal support services and care provided in an assisted living facility.
Hospice Care	Expenses up to 50% or 100% for care provided at home by a home care agency or in a hospice facility if you are terminally ill.
Home Health Care	Expenses of up to 50% of the DBA for custodial care, nursing care, therapy and homemaker services provided in your home by nurses, social workers, home health aides or other licensed or certified professionals.
Adult Day Care	Expenses up to 50% of the DBA for care provided during the day usually in a community setting.

In addition to your primary coverage, the group long-term care insurance plan offers the following features, which will not reduce the lifetime maximum benefit:

Transitional Care. This benefit helps you during a transition between self-sufficiency and needing care. It is automatically paid to you as a cash payment after you have satisfied the deductible period. It is a one-time payment equal to three times your daily benefit amount and can be used in any way that you want.

Informal Caregiver Training. This benefit provides for training of your personal caregiver by health professionals. The plan pays up to three times your daily benefit amount or the cost of the training, whichever is less. There is a limit of one payment per claim period.

Respite Care. This benefit provides for care when your usual caregiver is not available or is taking a break. The plan pays 50 percent of your daily benefit amount for up to 21 days per calendar year.

Informal Care. This benefit supports personal care, meal preparation and housekeeping provided in your home by family members, neighbors or other private-hire caregivers. The plan pays 25 percent of your daily benefit amount for up to 50 days per calendar year.

How to File a Claim

Contact an Aetna customer service representative toll free at 1-877-796-1927 for a benefit request form for you and your doctor to complete. You will be assigned a case manager who will:

- Assist you through the claims process and explain your care options.
- Provide guidance on environmental modifications and adaptive equipment that you may wish to consider or purchase for your home.
- Make referrals on your behalf to local agencies or other necessary services, if needed.
- Provide information on discounts of 10 to 30 percent on providers such as nursing homes and assisted living facilities.

If You Terminate Employment or Retire

If you terminate employment or retire, you may continue your long-term care coverage with Aetna at the same group rates using your age at your initial coverage date; however, you will be responsible for paying the premium for coverage. Aetna will bill you directly for future premiums. Within 30 days of your termination date, contact the Aetna Long-Term Care Hotline, toll free, to request the forms to continue your coverage or visit the Aetna website to download the forms at www.aetna.com/group/commonwealthva.

Annual Leave

Specific information about your annual leave is available from your human resource office or from the Department of Human Resource Management (DHRM), which administers leave policies.

Short-Term Disability

While you are on short-term disability, you will continue to accrue annual leave according to DHRM policy. You may use your annual leave to supplement your disability income during periods of 80 percent and 60 percent income replacement.

Long-Term Disability–Working

You will continue to accrue leave based on hours worked and your years of state service. You may use your annual leave to supplement the difference between the income replacement you are receiving under long-term disability and your regular full salary.

Long-Term Disability

Your employer will pay you for any unused annual leave, up to the maximum allowed by DHRM policy, at the beginning of your long-term disability. If you return to employment within 180 days and decide to re-purchase your annual leave, your cost will be based on your salary at the time you return to employment or the rate at which the leave was paid, whichever is less.

Health Insurance

Specific information about your health insurance benefits is available from your human resource office or from the Department of Human Resource Management (DHRM), which administers the state health insurance program.

Short-Term Disability

Your state health insurance coverage continues while you are on short-term disability with the state paying the employer share of the premium and you continuing to pay your share.

Long-Term Disability–Working

Your state health insurance continues while you are on long-term disability–working, with the state paying the employer share of the premium and you continuing to pay your share.

Long-Term Disability

You have 31 calendar days in which to decide to continue your state health insurance coverage. After 31 days, you will not be eligible to enroll in the state health insurance program. You will be responsible for paying both the employee and employer premiums. To continue your coverage, submit a State Health Benefits Program Enrollment Form for Retirees, Survivors and Long-term Disability Participants. The form is available from your human resource office.

If you are on long-term disability and have not used up all of your your Family Medical Leave (FML), you remain in your current state employee group insurance program until all the leave has been used, provided you continue to pay the premiums.

State Health Insurance Credit

You may be eligible for a credit towards the cost of your health insurance. Specific information, including eligibility requirements, is available from your human resource office, the current VRS Handbook for Members and the VRS Web site at www.varetire.org.

Short-Term Disability

The time you spend on short-term disability will count toward the 15-year eligibility requirement for the health insurance credit.

Long-Term Disability-Working

You are not eligible for a health insurance credit while on long-term disability-working. However, the time spent on long-term disability-working counts toward the 15-year service requirement for the health insurance credit when you retire.

Long-Term Disability

You will be eligible for a monthly health insurance credit up to \$120 if you have 30 or fewer years of creditable service when you go on long-term disability. If your creditable service totals at least 30 years and one month when you go on long-term disability, you will be eligible for a monthly health insurance credit of \$4 per month for each year of creditable service.*

If you are on Family and Medical Leave (FML) when you go on long-term disability, you will not be eligible for the health insurance credit until you have used all FML leave.

To apply for the health insurance credit under VSDP, use the Application for Health Insurance Credit (VRS-45) included in your introductory VSDP packet or call UnumProvident at 1-800-652-5602.

* Effective with your service retirement, you will no longer be guaranteed eligibility for a health insurance credit of \$120 per month. Instead, the amount of the credit will be based on the number of years of service credited at the time you retire. If you have fewer than 30 years of creditable service at retirement, your health insurance credit will be less than \$120. If you have earned additional service months while on long-term disability, these additional months will be included in the calculation of your health insurance credit.

Basic Group Life Insurance

Specific information regarding your coverage under the basic group life insurance program is available from your human resource office, the current VRS Handbook for Members and the VRS Web site at www.varetire.org.

Short-Term Disability

Your basic group life insurance continues at no cost to you while you are on short-term disability.

Long-Term Disability-Working

Your basic group life insurance continues at no cost to you while you are on long-term disability-working status.

Long-Term Disability

Your basic group life insurance continues while you are on long-term disability. The amount of your life insurance coverage is equal to your pre-disability annual salary at the time you go on long-term disability, rounded to the next highest thousand dollars and then doubled. The amount of your coverage may be increased annually by cost-of-living adjustments to your annual pre-disability salary, as recommended by the program actuary and approved by the VRS Board of Trustees.

Optional Group Life Insurance

Specific information regarding your coverage under the optional group life insurance program is available from your human resource office, the current Handbook for Members and the VRS Web site at www.varetire.org.

Short-Term Disability

You can continue your optional life insurance coverage while you are on short-term disability, as long as you continue to pay the premium.

Long-Term Disability–Working

You can continue your optional life insurance coverage as long as you continue to pay the premium. Minnesota Life, the administrator of the Group Life Insurance Program, will bill you directly for premiums. Your optional life insurance coverage for yourself and your dependents can continue into your retirement, at a reduced level, as long as you and your eligible dependents have continuously participated in the Optional Life Insurance Program during the 60 months immediately prior to retirement.

Long-Term Disability

Your optional life insurance and any dependant coverage you have can continue while you are on long-term disability, under the same terms and conditions as in Long-Term Disability–Working.

Retirement Benefits

Specific information regarding your retirement benefits under VRS is available from your human resource office, the current Handbook for Members and the VRS Web site at www.varetire.org.

Short-Term Disability

You retain your VRS membership while on short-term disability. You continue to accrue service credit and remain eligible for retirement when you reach age and service requirements. The time you spend on short-term disability counts toward the five years needed to become vested for a retirement benefit.

You may purchase prior service while you are on short-term disability. The purchase may be made in a lump sum or through payroll deduction. The cost of purchasing service credit will be based on your full pre-disability income, regardless of the actual income replacement percentage you are receiving at the time of purchase.

Long-Term Disability–Working

You retain your VRS membership while you are on long-term disability-working. You continue to accrue service credit and remain eligible to retire when you reach age and service requirements. The time you spend on long-term disability counts toward the five years needed to become vested for a retirement benefit.

If you are receiving Workers' Compensation benefits while on long-term disability-working, retirement begins at the time your Workers' Compensation benefits cease, if you are beyond normal retirement age.

Long-Term Disability

You continue to accrue service credit while on long-term disability, and you remain eligible to retire when you reach age and service requirements. If you are receiving Workers' Compensation payments while on long-term disability, retirement begins at the time your Workers' Compensation benefits cease if you are beyond normal retirement age.

You will be required to retire at your normal retirement age, unless your disability occurred at age 60 or older (age 55 or older for SPORS and VaLORS members). If this is the case, you will receive a total of five years (60 months) of combined short-term and long-term VSDP benefits, provided you remain medically eligible.

Deferred Compensation Plans

For more information about the Commonwealth of Virginia Deferred Compensation Plan and Cash Match Program, call Great West, the third-party administrator, at 1-888-600-2763 or visit www.vadcp.com.

Short-Term Disability and Long-Term Disability-Working

You may continue to contribute to your 457 Deferred Compensation Plan or 403(b) account while you are on short-term disability unless the disability is work-related. Contributions may not exceed the lesser of adjusted annual salary or the annual limit. If you are contributing at least \$10 per pay period to your 457 Plan or 403(b) account, the employer Cash Match also will continue. Distributions from the plan are allowed only in the event of approved hardship withdrawals, which must conform to IRS guidelines.

Long-Term Disability

You may not contribute to your 457 Deferred Compensation Plan or 403(b) account while you are on long-term disability. Distributions are allowed only in the event of an approved hardship withdrawal, which must conform to IRS guidelines.

In addition to VSDP, you may be eligible for leave under the Family and Medical Leave Act (FMLA). You may take up to 12 workweeks of authorized unpaid leave during any 12-month calendar period for certain personal and family situations. FMLA also provides job protection for employees who are on FMLA leave.

Leave through FMLA is optional. You may choose to take unused annual leave, family and personal leave or other accrued leave instead of taking unpaid leave. However, sick leave may not be used during periods when you are receiving VSDP benefits. If you are on VSDP and eligible for FMLA because of your serious health condition, your absence will be counted as FMLA.



You should notify your human resource office if you want to substitute paid time off for any portion of your absence.

Eligibility for FMLA Leave

You are eligible for FMLA leave if:

- You have been employed by the Commonwealth of Virginia for at least 12 months;
- You have worked at least 1,250 hours during the 12 months immediately preceding your absence; and
- You have not previously used your 12-work week allotment of FMLA for a calendar year.

Absences Covered by the FMLA

The following absences are covered by FMLA:

- Birth or adoption of a child or to provide foster care.
- Caring for an immediate family member (spouse, child or parent) with a serious health condition.
- Your own serious health condition.

Personal illnesses that qualify for benefits under VSDP also may qualify and run concurrently under FMLA. A serious health condition, as defined under FMLA, means an injury or physical or cognitive condition that involves:

- Inpatient hospitalization at a hospital, hospice or residential medical care facility.
- Absence of more than three consecutive calendar days while receiving or continuing multiple treatments prescribed by your licensed treating professional.

- Continuing treatment by or under the supervision of a licensed treating professional for a chronic or long-term health condition that is incurable or so serious that if not treated would likely result in a period of incapacity of more than three calendar days.

Your Responsibility

If you have scheduled an absence related to a pre-planned disability eligible for leave under FMLA, you should notify your human resource office and UnumProvident as far in advance as possible. Doing so will ensure that your request for disability benefits will be evaluated without any disruption or delay in the review of your claim.

Notification by VSDP

UnumProvident will notify your human resource office if your absence is approved for short-term or long-term disability benefits under VSDP as well as FMLA. The approval of your VSDP claim also applies to your FMLA claim. You are not required to obtain two separate approvals.

Your human resource office is responsible for determining whether you meet the FMLA eligibility requirements, tracking your FMLA hours and notifying you of information related to your FMLA leave. Your agency will inform you in writing of your responsibilities for conditions that qualify under FMLA.

More Information

Contact your human resource office for more information about FMLA.

In addition to VSDP benefits, you may be eligible for Social Security Disability Insurance Benefits (SSDIB). If you are over age 30, you are eligible for Social Security disability benefits if you have been unable to perform any kind of work for which you are reasonably qualified at least a year before applying for these benefits or if you have a terminal condition. You also must have been employed in five out of the previous ten years before being considered for Social Security disability benefits. There are special rules for younger individuals.

Filing a Social Security Disability Claim

Call the Social Security Administration (SSA) toll-free at 1-800-772-1213 or visit your local SSA office. You may have a family member or other representative contact the SSA on your behalf. UnumProvident also can assist you with filing, at no cost to you, if your long-term disability has been approved.

Have the following information ready when you file your Social Security claim:

- Your Social Security number;
- A certified copy of your birth certificate;

- Your W-2 forms for the past two years (if you had wages during those years); and
- The names, addresses and phone numbers of your licensed treating professionals, as well as any clinics or hospitals where you have been treated.

Filing a VSDP Claim

Qualification for Social Security disability benefits does not automatically qualify you for VSDP long-term disability benefits. If you file a claim for VSDP benefits and UnumProvident determines that you also may be eligible for Social Security disability benefits, you must apply with the Social Security Administration and provide proof of filing to UnumProvident within 60 days of the first day of your long-term disability. Your benefits may be delayed or stopped if UnumProvident does not receive proof of your application for Social Security disability.

Receiving Your Social Security Disability Benefits

It typically takes from three to six months for the Social Security Administration to process your application and notify you of the authorization of your Social Security disability benefits.

If you also have been approved for VSDP long-term disability benefits, you will begin receiving VSDP benefits while waiting for notification from Social Security. When you begin receiving Social Security disability benefits, your VSDP benefit will be offset by the amount of your Social Security disability benefit assuming it is for the same condition. (See example below.)

If your Social Security disability award is retroactive over the period you have been receiving VSDP benefits, you will be required to reimburse your employer and/or UnumProvident for the overpayments.

If Your Social Security Disability Claim is Denied

If your claim is denied, UnumProvident can assist you in filing an appeal at no cost to you. If your Social Security disability claim is denied and you are still eligible for disability benefits under the VSDP, your VSDP benefits will continue. However, if you refuse to file an appeal, your VSDP benefit could be reduced or stopped.



Example of Calculation of Benefits With An Offset for Social Security Benefits

Your pre-disability income is \$5,500 per month. You are at 60 percent income replacement level. You are receiving a Social Security disability income benefit for the same disabling condition. The monthly Social Security disability income benefit is \$1,000. The following is the formula for computing your adjusted VSDP benefit:

Pre-disability monthly income: \$5,500
 Amount of Social Security disability income benefit paid: \$1,000
 Long-term disability benefit (at 60 percent income replacement) $\$5,500 \times 60\% = \$3,300$
 Adjusted Long-term disability benefit
 (Long-term disability benefit minus Social Security disability income benefit)
 $\$3,300 - \$1,000 = \$2,300$

How do I apply for VSDP benefits?

If you become ill or injured and you expect to be unable to work for more than seven calendar days, call 1-800-652-5602. If you know in advance when you will require disability benefits, such as for a scheduled surgery or childbirth, call this number as soon as you know when you will be out.

Step 1: A UnumProvident customer care specialist will ask you for information, such as your name, Social Security number, date of birth and current mailing address. It is important for UnumProvident to have your current mailing address in order to send correspondence relating to your claim. The customer care specialist also will ask you about the nature of your disability, the last day you were able to work, the name, address and phone number of your licensed treating professional and additional work-related information, if applicable. With this information, the customer care representative will direct your request to a benefit center team experienced in your disability (such as a broken bone, pregnancy or chronic condition).

Step 2: UnumProvident will mail you an introductory packet. The packet includes an explanation of the program and what to expect while on disability. The packet includes an Authorization for Release of Medical Information form, which you must sign and give to your licensed treating professional as soon as possible. This form is your consent for confidential medical information to be released to UnumProvident. Without this information, UnumProvident will be unable to process your claim. You or your licensed treating professional may fax the authorization to UnumProvident at 1-800-793-1610. The packet also includes additional information for your licensed treating professional and a Disability Credit Usage form for you and your human resource officer to discuss, if applicable.

Step 3: UnumProvident will call your licensed treating professional to obtain clinical information concerning your disability and to arrange a return-to-work plan for you, when medically appropriate.

- For surgery claims, your licensed treating professional will be contacted the day after your surgery to obtain the most appropriate return-to-work plan.
- For work-related claims for which you are receiving benefits under the Virginia Workers' Compensation Act, UnumProvident will coordinate your benefits with the Virginia Workers' Compensation carrier. Workers' Compensation provides the primary benefit and VSDP provides supplemental benefits. Your human resource officer will contact the Virginia Workers' Compensation Office to ensure coordination of your benefits for a work-related disability.

The return-to-work plan may include part-time hours, modified duties or a combination of both. UnumProvident will contact your human resource office to determine if job modifications can be made. You will receive written correspondence from UnumProvident of any determinations made on your claim.

Step 4: UnumProvident will advise your human resource office of your appropriate income replacement level, according to your months of service with the state at the time of your disability. (See page 9 for more information about income replacement.)

Step 5: UnumProvident will be in regular contact with your licensed treating professional to obtain updates on your diagnosis, symptoms, treatment plan and return-to-work plan. Before your scheduled date to return to work, UnumProvident may call your licensed treating professional to confirm your return-to-work plans if your licensed treating professional did not indicate the possibility of an extension of your claim.

Authorization for Release of Medical Information

You will be mailed an Authorization for Release of Medical Information form, enclosed with the short-term disability introductory packet. Sign and date the form and return it to UnumProvident or your licensed treating professional immediately. If returning the form to UnumProvident, please fax it to 1-800-793-1610.

The Authorization for Release of Medical Information form is your consent for the release of information relative to your disability claim, so that a full and fair review of the claim may be conducted by UnumProvident and a decision can be made regarding your claim.

Delay in returning the authorization form may delay review of your disability claim and eligibility for disability benefits. Refusal to sign, date and return the form to UnumProvident without alteration will prevent authorization of your disability benefits. If you are physically or mentally unable to sign, date and return the form, you may have a person to whom you have given power of attorney sign it on your behalf.

Case Closure Due to No Response by Licensed Treating Professional

UnumProvident will make several attempts to obtain information from your licensed treating professional to administer your claim. It is ultimately your responsibility, however, to make sure that he or she complies with this requirement. If UnumProvident does not receive requested information, your case may be closed and you will not receive VSDP benefits.

If UnumProvident does not receive a response from your licensed treating professional, you will receive an Attending Provider Statement, which you must give to your licensed treating professional. He or she must complete the form and fax or mail it to UnumProvident within 10 days. UnumProvident will notify you if your licensed treating professional has not returned the form within that period. If this is the case, you will be ineligible to receive any VSDP benefits.

Confidentiality

Confidentiality policies and procedures protect all clinical information related to your disability. Your agency is informed only of:

- the date you initiate your disability;
- whether you have requested short-term or long-term disability;
- authorized start and end dates of disability;
- estimated return-to-work date;
- type of claim;
- physical restrictions;
- number of hours a day you are able to work;
- dates to begin paying you at the 100 percent, 80 percent and 60 percent income replacement levels; and
- the case closure date.

Medical records and other information relating to your disability claim are maintained and stored by UnumProvident, in compliance with state and federal privacy laws and regulations governing such information.

For quality assurance purposes, VRS will audit and monitor UnumProvident's interaction with VSDP participants and employer contacts.

Additional Forms Which May Be Needed to Process Your Claim

Short-Term Disability Forms

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. You will need to complete this form, have it notarized and return it to your human resource office.

Short-Term Disability Outside Earned Income Reporting

Your short-term disability benefit payments 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. Complete and return this form to your human resource office to report any outside income earned while you are receiving short-term disability benefits.

Long-Term Disability Forms

Request for Health Insurance Credit Form (VRS-45)

You may be eligible for a health insurance credit to assist you with your health insurance premiums. To receive the health insurance credit, complete and return this form to UnumProvident.

Long-Term Disability Repayment Agreement

This agreement states that you will reimburse VSDP for any overpayment of VSDP benefits while on long-term disability. You will need to complete this form, have it notarized and return it to UnumProvident.

Long-Term Disability Outside Earned Income Reporting

Your long-term disability benefit payments 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. Fill out and return the Outside Earned Income Reporting form to UnumProvident.

W-4 Form

Complete this form and return it to UnumProvident to elect your tax filing options.



UnumProvident evaluates your claim and monitors your continued eligibility for disability benefits. The evaluation includes a thorough review of all available clinical,

medical, vocational and employer information. UnumProvident may also contact your licensed treating professional to discuss your disability claim.

In the course of a claims review, you may be notified that you have been scheduled for a medical exam by an independent medical examiner (IME) in the same or similar specialty as your licensed treating professional. If an independent exam is required, UnumProvident will pay for it. Neither you nor UnumProvident may request or recommend a specific licensed treating professional to conduct the exam. If you are receiving disability benefits before

being referred to an IME, you will continue to receive the benefits until the IME's decision has been made.

You will be notified in writing of any UnumProvident decision on your claim. If your claim is denied or terminated, you will be informed of the reasons for the denial or termination, as well as the steps involved in appealing the decision should you wish to pursue an appeal.

If you wish to appeal the decision, you must notify UnumProvident within 180 calendar days from the date of the decision letter. The appeal process is outlined below.

Appeal Process:

1. You receive a denial or termination letter explaining that your benefits have been either denied or terminated. The denial letter notifies you of your right to a review of the claim decision and provides instructions on how to initiate an appeal.
2. If you decide to appeal the claim decision, you must submit a written appeal letter to UnumProvident. (All appeals must be in writing.) When you submit your appeal, you should include any additional medical information related to the denial or otherwise explain why you dispute the disability claim decision. You may submit other information supporting the disability, including additional payroll or occupational information.
3. Once UnumProvident receives your appeal letter, you will receive an acknowledgement letter with the name and telephone number of the appeals specialist who will be handling your appeal.
4. UnumProvident has an initial appeal review period of 45 days. If there are circumstances beyond the control of UnumProvident, the appeals specialist may take up to 45 additional days to reach a determination. In some cases, you may be asked to provide additional relevant information for review. The time required for you to provide this additional information is not included in the 45-day limit.
5. You will receive a letter from the appeals specialist notifying you of UnumProvident's decision on your appeal. If your benefits are still denied or terminated after this appeal, you will be given the opportunity to appeal the decision again (this is known as a re-appeal) if additional information is provided within the period of time specified in the denial letter.
6. If you request a re-appeal of your claim decision, you will receive an acknowledgment letter from the appeals specialist, and your claim will go through a second appeal process.
7. You will receive a letter from the appeals specialist notifying you of UnumProvident's decision on your re-appeal. If your benefits are still denied or terminated after this re-appeal, you may request for a circuit court judge to review UnumProvident's re-appeal decision by filing a notice of appeal with VRS, along with a copy to UnumProvident within 30 days after the date of the final denial letter. The *Rules of Supreme Court of Virginia* govern all circuit court appeals, and you may wish to consult an attorney.
8. If, at any time during the appeal process, the appeals specialist reverses the denial or termination of your benefits, you will receive a written letter stating the approval, any applicable past due benefits; and benefits will continue throughout the ongoing claims process. You will receive a monthly benefit check so long as you remain entitled to benefits.



- A.** Short-term and long-term disability benefits are not payable to you if your disability results from committing a felony or during a period while you are incarcerated. It is your responsibility to notify UnumProvident within five calendar days of an incarceration to avoid an overpayment that will have to be repaid.
- B.** Long-term disability benefits are not payable to you if your disability results from the abuse of alcohol, the misuse of any prescribed medication or the misuse of any controlled substance, unless you are actively receiving treatment and, in the view of UnumProvident, are fully complying with the treatment plan and making substantial progress toward rehabilitation.
- C.** Six weeks of post-partum benefits are provided in the case of normal, uncomplicated deliveries or C-section deliveries.
- D.** Short-term and long-term disability benefits are not payable to you when UnumProvident determines, based on medical evidence and other documentation you have provided, that it can no longer certify your disability.
- E.** Short-term and long-term disability benefits are not payable to you if you do not seek ongoing treatment from a licensed treating professional and do not participate in proper care and treatment programs.
- F.** UnumProvident may base the decision to pay or not pay the disability benefit solely on objective medical evidence, notwithstanding a licensed treating professional's request.
- G.** The results of any Independent Medical Examination (IME) conducted as part of the certification of short-term disability is binding on both the employee and the agency in establishing a return-to-work date.
- H.** The TPA decision to pay or not pay the disability benefit is based solely on objective medical evidence, notwithstanding a licensed treating professional's request.
- I.** Your short-term and long-term disability benefits are reduced 50 percent if you fail to cooperate with a rehabilitation program prescribed for the employee.
- J.** The VSDP may require copies of year-end tax statements and/or state and federal tax filings annually to certify income from gainful employment as part of the administration of statutory offsets under the program.
- K.** Short-term and long-term disability benefits are not payable to you if you cease to be a member of the VRS due to withdrawal of your member contributions or termination of employment.
- L.** Long-term disability benefits are not payable to you if you are able to perform the full duties of your pre-disability position on a full-time basis without any restrictions within the first 24 months of disability; or if you are able to perform the full duties of any job for which you are reasonably qualified based on training and experience without restrictions after 24 months of disability and earning 80 percent or more of your pre-disability income.

M. Your return to your pre-disability position or any other covered VRS position is not guaranteed after your transition into long-term disability.

N. Short-term benefits are not payable for elective medical procedures, including but not limited to surgery, during the first six months of employment or reemployment without approval your human resource office.

O. If your payments under the Workers' Compensation Act are adjusted or terminated for refusal to work or to comply with the requirements of Section 65.2-603 of the Code of Virginia, the disability benefits payable under the VSDP will be calculated as if you were receiving the payments, provided you meet the VSDP eligibility requirements.

P. If you fail to comply or cooperate with the requirements of the VSDP, benefits under the program may cease.

Position Profile

UnumProvident may require your agency to provide a position profile describing the essential functions and the physical requirements of your job. This profile will be used to help determine your physical and mental capacities to return to work in that position.

Administration of Program

A. You may not receive more than one disability benefit under VSDP for concurrent illnesses or injuries.

B. If you are employed in more than one position that provides coverage under the VRS, you must elect, by written notice to VRS, one position under which your coverage will be based.

C. Each agency whose employees are covered under the program must keep records and furnish information required by the VRS Board of Trustees or its designee.

D. The benefits payable under VSDP are exempt from levy, garnishment, attachment and other legal process. Employees are responsible for contacting the court to obtain the exemption. However, court orders will be honored.

E. The benefits paid under a non-work related short-term or long-term disability are fully taxable. The benefits paid under a work-related disability are not taxable because the benefits are, by statute, a Workers' Compensation benefit. Pay for disability credits, annual leave, family and personal leave or other eligible leave used to supplement income replacement at 100 percent while the employee is receiving short-term or long-term work-related disability under VSDP is fully taxable.

F. Under VSDP, sick leave, family and personal leave and short-term disability will be paid by the agency. Some of this pay may be contributed to the 457 Deferred Compensation Plan or 403(b) account. Long-term disability payments are made from the Disability Trust Fund, not by the agency. Therefore, long-term disability payments may not be deferred into the Deferred Compensation Plan or 403(b) plan. Both short-term and long-term work-related disability benefit payments may not be deferred because the payments are not taxable. Wages earned during long-term disability- working may be contributed to the Deferred Compensation Plan or to a 403(b) account.

G. Short-term disability payments are made by the agency and employees on long-term disability-working receive salary payments from their agency for hours worked. Therefore, health care premiums may be paid under premium conversion during short-term disability and long-term disability-working. Payments for long-term disability are not made by the agency, but by the Disability Trust Fund; therefore, premium conversion for health insurance does not extend to these payments. Work-related short-term and long-term disability benefit payments are not taxable; therefore, health care premiums may not be paid under premium conversion. Wages earned during long-term disability-working are taxable.

Act

The Virginia Workers' Compensation Act.

Activities of Daily Living (ADLs)

Six activities that are necessary for individuals to function on a day-to-day basis without assistance. They are:

- Bathing
- Dressing
- Eating
- Controlling the bladder or bowel
- Toileting (ability to get on and off the toilet and a reasonable level of personal hygiene)
- Transferring (getting in or out of bed or chairs)

Authority and Interpretation

The VRS Board of Trustees, by law, has the authority to develop, implement and administer VSDP. The Department of Human Resource Management is responsible for developing and interpreting leave and related personnel policies and procedures associated with VSDP.

Average Final Compensation

The average of a member's 36 consecutive months of highest creditable compensation in a VRS-covered position, wherever it occurs in the members career.

Board

The Board of Trustees of the Virginia Retirement System.

Catastrophic Condition

A condition that is so severe or debilitating that you are unable to independently perform at least two of the six activities of daily living and/or one that requires substantial supervision as a result of severe cognitive impairment.

Creditable Compensation

The full compensation payable annually to an eligible employee working in a VRS-covered position. Creditable compensation is the amount reported to VRS monthly.

Creditable Service for Retirement Purposes

Service used in the calculation of a retirement benefit. Service credit accrues during periods of short-term and long-term disability.

Date of Disability

The first day that you become unable to work. The date of disability may be the last day worked if you reported to work but was unable to perform designated duties of the job or complete scheduled work hours because of an illness or injury.

Disability

An illness, injury or other medical condition, including pregnancy, that prevents you from performing the duties of the job. A disability can be total or partial.

Disability Benefit

Income replacement payments payable to you under the short-term or long-term disability benefit program. Disability benefits do not include benefits payable under the Workers' Compensation Act.

Disability Credits

Sick leave converted to disability credits at the time of enrollment in VSDP by employees who elected participation during the 1999 and 2002 open enrollments. During periods of 80 percent and 60 percent, disability credits may be used to increase income replacement up to 100 percent during periods of short-term and long-term disability. Disability credits are used in eight-hour increments. Eight disability credits equal one day of 100 percent income replacement. Any remaining balance of disability credits is paid at the time of

termination of employment or service retirement or may be converted to VRS service credit.

Disability Credit Conversion

Unused disability credits that are converted to service credit at the time of termination from state employment or upon immediate retirement. Disability credit conversion is at the rate of one month of service for each 173 disability credits, rounded to the next highest month.

Eligible Employee

Eligible employees include the following:

- Salaried full-time or part-time state employees who are active members of the Virginia Retirement System (VRS).
- Active members of the State Police Officers' Retirement System (SPORS).
- Active members of Virginia Law Officers' Retirement System (VaLORS).
- Full-time teaching, research or administrative faculty of a Virginia public institution of higher education who participate in VRS.
- Part-time faculty members covered under VRS.

Income

Income refers to the amount of creditable compensation reported by an agency to VRS for retirement purposes. Income also is referred to as pre-disability income.

Independent Medical Examiner (IME)

A third-party licensed treating professional who is of the same or similar profession as your licensed treating professional. An IME may be used during the claims and/or appeals review and decision-making process.

Leave Without Pay

An employment status in which you are on approved leave and not receiving compensation.

Licensed Treating Professional

A doctor of medicine or osteopathy who is licensed to practice medicine or surgery by the state in which he or she practices. Also included are podiatrists, optometrists, chiropractors, clinical psychologists and clinical social workers who are licensed to practice in the state and who are performing within the scope of their practice as defined under state law. Licensed treating professionals also include Christian Science practitioners listed with the first Church of Christ, Scientist in Boston, MA. If the licensed treating professional is not a doctor of medicine or osteopathy, the employee may be required to seek appropriate medical treatment after a reasonable period of time.

Major Chronic Health Condition

A life-threatening health condition, that exists over a prolonged period of time and is not expected to be resolved in the foreseeable future. You must meet the following criteria:

- Determined to be disabled by a licensed treating professional.
- Experienced a period of disability for the same condition within the last six months.
- Be under the ongoing care of a licensed treating professional.

The determination of a life-threatening health condition is made by UnumProvident in accordance with, but not limited to, the above criteria. All cases are reviewed and updated with additional medical documentation on a case-by-case basis.

Partial Disability

Partial disability exists during the first 24 months following the occurrence or commencement of a disability when you are earning less than 80 percent of your pre-disability income. As a result of the disability, you are able to perform some, but not all, of the full duties of your pre-disability position in an active employment status, or are able to perform the full duties of your pre-disability position on a part-time basis only.

Program

The Virginia Sickness and Disability Program (VSDP), which provides sick leave, family and personal leave, and short-term and long-term disability benefits for participating employees, including supplemental benefits for work-related illnesses and injuries.

Retirement System

The Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS) and the Virginia Law Officers' Retirement System (VaLORS).

Return-to-Work Program

Assignment of an employee to an alternative position for a specified period of time to assist him or her in returning to gainful employment.

State Police Officer

A member of the State Police Officers' Retirement System (SPORS).

Third-Party Administrator

The VRS Board has delegated Unum Life Insurance Company of America (UnumProvident) the broadest discretion permissible under the laws to determine eligibility for short-term and long-term disability benefits under the VSDP. As the program's third-party administrator, this includes construing, interpreting and enforcing the terms of the VSDP as they relate to claims for short-term and long-term disability benefits.

Total Disability

Total disability exists during the first 24 months following the occurrence or commencement of a disability if you are unable to perform all of the duties of your pre-disability position on a full-time basis, without restrictions. After 24 months of disability, the disability is considered to be total if you are unable to perform any job for which you are reasonably qualified based on training or experience and is earning less than 80 percent of pre-disability income.

Vested

Eligible for a VRS monthly retirement benefit upon reaching eligible retirement age with at least five years of creditable service.

Virginia Law Officer

A member of the Virginia Law Officers' Retirement System (VaLORS).

VRS

The Virginia Retirement System is the state agency responsible for administering the VSDP.

Waiting Period

Seven calendar days of medical absence from work before short-term disability benefits can begin. The waiting period commences the first day of a disability. If you return to work for 20 hours or less during the seven-calendar-day waiting period, you will be considered to have satisfied the waiting period. If the absence is due to a major chronic condition or a catastrophic illness diagnosed at the onset of the disability, no waiting period is required.

Work-Related Disability

A disability which occurs on the job for which benefits are payable under the Virginia Workers' Compensation Act. The Commonwealth is the employer for purposes of the Virginia Workers' Compensation Act.

