



Virginia Local Disability Program

HANDBOOK FOR EMPLOYEES IN THE
VRS HYBRID RETIREMENT PLAN WHOSE
SCHOOL DIVISION OR POLITICAL
SUBDIVISION PARTICIPATES IN VLDP



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**HELPING YOU PLAN
FOR TOMORROW,
TODAY**



VIRGINIA LOCAL DISABILITY PROGRAM (VLDP)

HANDBOOK FOR ELIGIBLE MEMBERS

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

CONTACT REEDGROUP

reedgroup.com/vldp-claims
Toll-free: 877-928-7021
Mailing Address
P.O. Box 6248, Broomfield, CO 80021

CONTACT VRS

varetire.org/hybrid
vrs@varetire.org
Toll-free: 855-291-2285
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 may be enrolled in a comparable disability program provided by your employer. Contact your human resource office for more information.

MEMBER RESOURCES

BENEFIT INFORMATION AND PLANNING RESOURCES

- VRS website at varetire.org/hybrid provides information about the Hybrid Retirement Plan, your disability coverage and other benefits as well as forms and publications.
- Walk-in counseling or appointments are available; call VRS toll-free at 855-291-2285 from 8:30 a.m. – 5 p.m., Monday through Friday.
- Questions? Contact your human resource office or call toll-free at 855-291-2285.

KEY CONTACTS

- Group Life Insurance Program: Securian Financial, 800-441-2258
- Social Security Administration: 800-772-1213; ssa.gov
- Virginia Local Disability Program (VLDP): ReedGroup, 877-928-7021; reedgroup.com/vldp-claims
- VLDP Long-Term Care Plan: Long Term Care Group Inc., 800-761-4057
- Virginia Workers' Compensation Commission: 877-664-2566; vwc.state.va.us



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1

Introduction to VLDP

Income Protection if You Can't Work
Plan Eligibility
When Coverage Begins
When the VLDP Benefit Ends

Returning to Work
Your Responsibilities
Quick Reference

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

INCOME PROTECTION IF YOU CAN'T WORK

VLDP provides income protection if you can't work because of a non-work-related or work-related illness, injury or other condition, such as surgery, pregnancy, complications from pregnancy or a catastrophic or major chronic condition. VLDP benefits include:

- Short-term and long-term disability coverage for total and partial disabilities.
- Long-term care coverage.
- Transitional, medical rehabilitation and vocational rehabilitation plans to help you return to work if you are able.
- Free advocacy services to assist you in applying for Social Security Disability Insurance (SSDI) benefits.

Note: You are eligible for work-related disability coverage and coverage under the VLDP Long-Term Care Plan from the first day of employment. Income replacement levels vary depending on when you were hired. 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.

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

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

What Is a Disability?

Under VLDP, a disability is a condition that prevents you from performing the full duties of your job for a short or extended period of time. The disability may be non-work-related or work-related. A work-related disability is the result of an occupational illness or injury that occurs on the job and the cause is determined to be compensable under the Virginia Workers' Compensation Act. VLDP covers partial and total disabilities. If you have a partial disability, you have the capacity to perform some work, such as working part time in your current job or in a different position. If you have a total disability, you cannot work at all.

PLAN ELIGIBILITY

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

- A full-time permanent, salaried teacher or administrative employee of a Virginia public school division.
- A full-time permanent, salaried employee of a VRS-participating political subdivision (city, county, town, authority, commission), excluding those eligible for hazardous duty benefits.
- A local law enforcement officer, firefighter or emergency medical technician whose employer does not provide enhanced hazardous duty benefits or the hazardous duty alternate option.

You are not eligible for VLDP if you are a:

- State employee.
- Member of the State Police Officers' Retirement System (SPORS) or the Virginia Law Officers' Retirement System (VaLORS).
- Local law enforcement officer, firefighter or emergency medical technician covered under enhanced hazardous duty benefits.
- Member of the Judicial Retirement System (JRS).
- Political subdivision employee in Plan 1 or Plan 2.

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



WHEN COVERAGE BEGINS

QUALIFYING FOR BENEFITS

There are qualifying periods for coverage:

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

WHEN THE VLDP BENEFIT ENDS

Your disability benefit will end if:

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

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

RETURNING TO WORK

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

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

ON-SITE MEDICAL OR VOCATIONAL REHABILITATION PLAN

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

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

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

YOUR RESPONSIBILITIES

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

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

When the VLDP Benefit Is Not Payable

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

QUICK REFERENCE

Sick, injured or having a minor procedure causing you to be out for several days?

Check with your human resource office about your employer's leave policies during periods of disability. If you are out for more than seven consecutive calendar days, you may file a claim for short-term disability through ReedGroup, the third-party administrator. The short-term disability benefit begins on the eighth day of your disability. If your claim is non-work-related, you must satisfy a one-year eligibility period with your current employer before you are eligible for coverage under VLDP. Your eligibility for work-related disability coverage begins upon employment.

See: Chapter 2 – Short-Term Disability Coverage
Chapter 4 – Applying for VLDP

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

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

See: Chapter 2 – Short-Term Disability Coverage
Chapter 4 – Applying for VLDP

Planning a medical procedure or know your due date if pregnant?

As soon as you know when you expect to be out, let your employer know and call ReedGroup to start the claim process. Do not wait until the seven-calendar-day elimination period to file a claim.

See: Chapter 2 – Short-Term Disability Coverage
Chapter 4 – Applying for VLDP

Condition not improving?

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

See: Chapter 3 – Long-Term Disability Coverage
Chapter 4 – Applying for VLDP

Suffer a work-related illness or injury?

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

See: Chapter 2 – Short-Term Disability Coverage
Chapter 3 – Long-Term Disability Coverage
Chapter 5 – Adjustments to the VLDP Benefit

Moving to another school division or political subdivision with VLDP coverage?

If you move to another employer who provides VLDP, you will be required to satisfy new eligibility periods for non-work-related disability and higher income replacement levels. This also applies if you leave and then return to your former position after a bona fide break in service. A bona fide break in service is a break of at least one full calendar month from your last day of employment over a period you normally would work.

See: Chapter 2 – Short-Term Disability Coverage

Need long-term care?

Call the Long Term Care Group Inc. to file a claim for benefits under the VLDP Long-Term Care Plan within 60 days of certification by a licensed healthcare practitioner that you qualify for benefits. Your human resource office, a family member or friend may file a claim on your behalf. Benefits include nursing home care, transitional care and in-home care, among other covered services.

If you are enrolled in the Commonwealth of Virginia (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 6 – 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 go on disability at age 60 or older, there is a limit on the amount of time you can receive VLDP benefits, depending on your age when you become disabled. Once this period expires, you must service retire to continue to receive a monthly benefit.

See: Chapter 2 – Short-Term Disability Coverage

File a claim and your claim is denied?

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

See: Chapter 4 – Applying for VLDP

CLAIMS CONTACT INFORMATION

- VLDP claims: Call ReedGroup toll-free at 877-928-7021 or visitreedgroup.com/vldp-claims.
- VLDP Long-Term Care Plan claims: Call the Long Term Care Group Inc. toll-free at 800-761-4057.
- 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 VLDP?

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

2

Short-Term Disability Coverage

What Is a Short-Term Disability?

Qualifying for Benefits

Non-Work-Related
Short-Term Disability

Work-Related Short-Term Disability

Disability Coverage for
Contract Employees

If You Have a Catastrophic or
Major Chronic Condition

Successive Periods of
Short-Term Disability

If You Go on Disability at Age 60 or Older

Other Benefit Coverage While on
Short-Term Disability

WHAT IS A SHORT-TERM DISABILITY?

Under the Virginia Local Disability Program (VLDP), a short-term disability is an illness, injury or other condition, such as surgery, pregnancy, complications from pregnancy or a catastrophic or major chronic condition, that prevents you from performing the full duties of your job. The disability may be non-work-related or work-related. A work-related disability is the result of an occupational illness or injury that occurs on the job and the cause is determined to be compensable under the Virginia Workers' Compensation Act.

VLDP 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-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 ReedGroup. For more information, see Chapter 3 – Long-Term Disability Coverage.

Scheduling a Medical Procedure? Know Your Due Date if You Are Pregnant?

If you know when you will be out, notify your employer and file a claim with ReedGroup as soon as possible. Although the short-term disability benefit will begin on the eighth day of your disability, do not wait until the seven-calendar-day elimination period to file a claim. Call ReedGroup toll-free at 877-928-7021. See also Chapter 4 – Applying for VLDP.

QUALIFYING FOR BENEFITS

SEVEN-CALENDAR-DAY ELIMINATION PERIOD

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

ONE-YEAR WAITING PERIOD FOR NON-WORK-RELATED SHORT-TERM DISABILITY COVERAGE

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

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

FIVE-YEAR ELIGIBILITY PERIOD FOR HIGHER INCOME REPLACEMENT LEVELS

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

IF YOU CHANGE JOBS

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

If You Purchase Prior Service

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

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

If you return to your former position before the end of a bona fide break in service, you will be considered continuously employed in your current position. You will resume continuous participation in VLDP toward the one-year waiting period for non-work-related short-term disability and the five-year eligibility period for higher income replacement levels. Or, if you satisfied these qualifying periods before you left your position, you will not be required to satisfy them again. Refer to the Days of Income Replacement tables in this chapter.

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

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

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

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

What Is a Bona Fide Break in Service?

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

NON-WORK-RELATED SHORT-TERM DISABILITY

AFTER THE ONE-YEAR WAITING PERIOD

You are eligible for income replacement at 60% of your pre-disability income if you go on non-work-related short-term disability. After five years of continuous participation in VLDP with your current employer, you become eligible for income replacement beginning at 100% of your pre-disability income, which reduces to 80% and then 60%. The reduction depends on your months of continuous program participation with your current employer and how long you are out as shown in the following table:

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

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

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

WORK-RELATED SHORT-TERM DISABILITY

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

You are eligible for income replacement at 60% of your pre-disability income if you go on work-related short-term disability. After five years of continuous participation in VLDP with your current employer, you become eligible for income replacement beginning at 100% of your pre-disability income, which reduces to 80% and then 60%. The reduction depends on your months of continuous program participation with your current employer and how long you are out as shown in the following table:

Days of Income Replacement: Work-Related Disability

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

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

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

You may be eligible to purchase service credit for the period you are on workers' compensation.

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

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

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

DISABILITY COVERAGE FOR CONTRACT EMPLOYEES

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

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

DISABILITY BENEFITS DURING NON-CONTRACT PERIODS

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

Example 1

An employee started work September 1, 2020, on a contract ending June 30, 2021, and has received contract renewals since then. The employee suffers a non-work-related injury on June 13, 2022, 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, 2022, disability benefits will stop.
- If the employee is still disabled by the time the next contract starts September 1, 2022, the disability benefits will resume.

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

Example 2

An employee started work September 1, 2020, on a contract ending June 30, 2021, and has received contract renewals since then. The employee suffers a non-work-related injury on July 13, 2021, during the non-contract period, and immediately files a claim for non-work-related short-term disability with ReedGroup, which is approved. However, because the injury was suffered during the non-contract period, the employee is not eligible to receive benefits at this time.

- If the employee is still disabled when the new contract begins on September 1, 2021, 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 ReedGroup, in consultation with your licensed treating healthcare professional, determines your condition is catastrophic, the seven-calendar-day elimination period will be waived. In addition, you will be eligible for an adjustment to your income replacement level. If you are receiving 60% 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 requiring substantial supervision to protect you from threats to health and safety. For more information about coverage for catastrophic conditions, call ReedGroup toll-free at 877-928-7021 or visit reedgroup.com/vldp-claims.

MAJOR CHRONIC CONDITION

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

SUCCESSIVE PERIODS OF SHORT-TERM DISABILITY

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

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

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

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

IF YOU GO ON DISABILITY AT AGE 60 OR OLDER

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

Maximum Length of the VLDP Benefit

Age 60–64	Five years from the date disability benefit begins
Age 65–68	Until age 70
Age 69 or older	One year from the date disability benefit begins

Note: You are not retired when you are on long-term disability 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. More information about qualifying for service retirement under the VRS Hybrid Retirement Plan is available at varetire.org/hybrid.

OTHER BENEFIT COVERAGE WHILE ON SHORT-TERM DISABILITY

VRS SERVICE CREDIT AND CONTRIBUTIONS

Defined benefit component. You will continue to contribute 4% of your compensation each month to your member contribution account on a pretax basis and accrue VRS service credit if:

- You are on non-work-related disability; or
- You are on work-related disability receiving short-term disability and a workers' compensation benefit.

If you are on work-related disability receiving only a workers' compensation benefit, contributions cannot be withheld from your payment because your employer does not have control over deductions. You will not receive service credit but 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.

Defined contribution component: Hybrid 401(a) Cash Match Plan and Hybrid 457 Deferred

Compensation Plan. While you are on short-term non-work-related disability, you will continue to contribute the mandatory 1% 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 and contributions cannot be withheld because your employer does not have control over the deductions, no contributions will be credited to your Hybrid 401(a) Cash Match Plan or Hybrid 457 plans. More information about the VRS Hybrid Retirement Plan is available at varetire.org/hybrid.

Note: If you are determined by the Social Security Administration to be permanently and totally disabled and are on work-related disability, no contributions will be withheld from your payment. You will be credited with the mandatory 1% employer contribution to your Hybrid 401(a) Cash Match Plan.

SUPPLEMENTAL SAVINGS PLANS

If your employer participates in the Commonwealth of Virginia 457 Deferred Compensation Plan, your contributions may continue while you are on short-term disability. Distributions are not allowed while on short-term disability but you may be eligible for an unforeseen emergency withdrawal. Contact your human resource office for more information about your contributions if you participate in another supplemental savings plan offered by your employer.

LEAVE

Contact your human resource office about your employer's leave policies during periods of short-term disability.

HEALTH INSURANCE

If your employer provides health insurance coverage, your coverage will continue while you are on short-term disability.

OTHER VRS BENEFITS

Group life insurance. If you are covered under the VRS Group Life Insurance Program, your basic group life insurance will continue as long as you or your employer continues to pay the member premium. If you have optional group life insurance coverage, your payroll deductions to pay the premiums also will continue. If you have a question about your life insurance coverage while on short-term disability, call Securian Financial toll-free at 800-441-2258.

Death-in-service benefits. The VLDP benefit is not payable to a beneficiary or survivor if you die while you are on disability. However, your beneficiary or your spouse, minor child or parent may be eligible for a death-in-service benefit under the defined benefit component of your plan and a distribution from your defined contribution account, in addition to life insurance benefits. There are a variety of distribution options.

More information about other VRS benefits is available at varetire.org/hybrid.

3

Long-Term Disability Coverage

What Is a Long-Term Disability?

Successive Periods of Long-Term Disability

Other Benefit Coverage While on Long-Term Disability

WHAT IS A LONG-TERM DISABILITY?

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

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

SOCIAL SECURITY DISABILITY INSURANCE BENEFITS

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

SUCCESSIVE PERIODS OF LONG-TERM DISABILITY

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

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

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

OTHER BENEFIT COVERAGE WHILE ON LONG-TERM DISABILITY

CONTRIBUTIONS

Defined benefit component. The 4% member contribution will stop while you are on long-term disability. You also will be ineligible to purchase prior service. If you are on work-related disability receiving only a workers' compensation benefit, contact your human resource office for more information about your member contributions.

Defined contribution component. The mandatory 1% member contribution to your Hybrid 401(a) Cash Match Plan will stop while you are on long-term disability. You also will be ineligible to make additional voluntary contributions to your Hybrid 457 Deferred Compensation Plan. If you are totally and permanently disabled and qualify for Social Security Disability Insurance (SSDI) benefits, your employer will continue to make the mandatory 1% employer contribution to your Hybrid 401(a) plan. For more information about SSDI, see Chapter 5 – Adjustments to the VLDP Benefit. Distributions from the Hybrid 401(a) and Hybrid 457 plans for a hardship or unforeseen emergency are prohibited by the *Code of Virginia*.

More information about the VRS Hybrid Retirement Plan is available at varetire.org/hybrid.

VRS SERVICE CREDIT

You continue to accrue VRS service credit while on long-term disability. VRS members earn service credit for each month they are reported in a covered position. Service credit may also include credit for prior service a member may have purchased or additional service credit granted by an employer. Service credit is one of the factors used to calculate the VRS retirement benefit and determine eligibility for retiree benefits.

LEAVE

Contact your human resource office about your employer's leave policies during periods of long-term disability.

HEALTH INSURANCE

If your employer provides health insurance coverage to employees on disability or retirees, or if your employer is self-insured, you may continue your coverage by paying the premiums to the carrier. The premiums will be at the same group rate. Contact your human resource office for more information.

Long-Term Disability Is Not Retirement

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.

HEALTH INSURANCE CREDIT

If you go on long-term disability, you will be eligible for the health insurance credit if your employer participates in this program. This is a tax-free benefit that assists with health insurance premiums you pay for single coverage, excluding any portion of the premiums covering a spouse or dependents, while receiving a long-term disability benefit, if your employer participates in the program. A Request for Health Insurance Credit (VRS-45) will be included in the VLDP introductory packet you will receive from ReedGroup. If your employer participates in the program and you retire after being on long-term disability, you must have at least 15 years of service credit to be eligible for the health insurance credit as a retiree.

OTHER VRS BENEFITS

Group life insurance. If you are covered under the VRS Group Life Insurance Program, your basic group life insurance coverage will continue while you are on long-term disability. If you have optional group life insurance coverage, you may continue your coverage by paying the premiums directly to 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. The VLDP benefit is not payable to a beneficiary or survivor if you die while you are on disability. However, your beneficiary may be eligible for a VRS death-in-service benefit. The benefit may be a lump-sum payment of any contributions remaining in your member defined benefit plan account or a monthly payment, in addition to a lump-sum payment of contributions in your 457 Plan or 403(b) plan.

For more information about other VRS benefits, visit varetire.org/hybrid.

SUPPLEMENTAL SAVINGS PLAN

If your employer participates in the Commonwealth of Virginia 457 Deferred Compensation Plan, you cannot contribute to the plan while you are on long-term disability. You may be eligible to take a distribution (payment) from your deferred compensation plan. Contact your human resource office for more information about distributions if you participate in another supplemental savings plan offered by your employer.

IF YOU ARE ELIGIBLE TO RETIRE

You are not retired when you are on long-term disability. You can retire when you meet the age and service requirements for your plan, unless you are receiving workers' compensation benefits. You are not eligible for VRS disability retirement. If you reach your normal retirement age while on long-term disability, your benefit will stop. Normal retirement age under the Hybrid Retirement Plan is when you reach your normal Social Security retirement age and have at least 60 months of service credit, or when your age and service equal 90. Once you have received VLDP benefits for five years, you are no longer eligible for VLDP benefits and, if eligible, you may service retire.

More information about other VRS benefits is available at varetire.org/hybrid.

4

Applying for VLDP

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

HOW TO FILE A CLAIM FOR SHORT-TERM DISABILITY

STEP ONE

Call ReedGroup toll-free at 877-928-7021 as soon as possible.

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

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

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

STEP TWO

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

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

- **Attending Physician Statement.** ReedGroup will submit this statement to your doctor or other licensed treating healthcare professional. The review of your claim cannot be completed without this form. To expedite the review process, please contact your healthcare professional's office to ensure the form is returned to ReedGroup as soon as possible.
- **Authorization for Release of Medical Information.** Submit this form to allow ReedGroup access to information about your medical care.

IF YOUR LICENSED TREATING HEALTHCARE PROFESSIONAL DOES NOT RESPOND

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

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

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

- **Short-Term Disability Repayment Agreement.** This agreement states that you will reimburse your employer for any overpayment of VLDP benefits while on short-term disability.
- **VLDP Outside Earned Income Reporting for Short-Term Disability.** Your disability benefit payment will be offset by any wages or salary you receive from any employment, including income reported on W-2 forms and from self-employment.

Notification. You will receive a letter from ReedGroup 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 ReedGroup. Your human resource office, a family member or friend can assist you:

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

CONFIDENTIALITY

ReedGroup 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.



5

Adjustments to the VLDP Benefit

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

VLDP SHORT-TERM DISABILITY BENEFIT AND WORKERS' COMPENSATION

A work-related disability is the result of an occupational illness or injury that occurs on the job and the cause is determined to be compensable under the Virginia Workers' Compensation Act. If you receive a workers' compensation award, your VLDP benefit will be offset by your workers' compensation benefit. Because of this offset, you will not receive a VLDP benefit if your workers' compensation award is greater than your VLDP benefit amount.

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

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

WORKERS' COMPENSATION EXAMPLE: 100% INCOME REPLACEMENT

Example: Carlos is eligible for a workers' compensation benefit and a VLDP 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
VLDP 100% Work-Related Benefit Calculation	
Weekly Wage	\$ 1,250.00
× 100% VLDP Income Replacement	× 1.00
Weekly VLDP Benefit at 100%	\$ 1,250.00
× 33⅓% Adjustment to VLDP Benefit (66⅔% + 33⅓% = 100%)	× 0.3333
Weekly Supplemental VLDP 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 VLDP 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
<hr/>	
Weekly Workers' Compensation Benefit	\$ 833.38
VLDP 80% Work-Related Benefit Calculation	
Weekly Wage	\$ 1,250.00
× 80% VLDP Income Replacement	× 0.80
<hr/>	
Weekly VLDP Benefit at 80%	\$ 1,000.00
VLDP Supplemental Benefit Calculation	
Average Weekly Wage	\$ 1,250.00
× 13⅓% Adjustment to VLDP Benefit (66⅔% + 33⅓% = 80%)	× 0.1333
<hr/>	
Weekly Supplemental VLDP Amount	\$ 166.62
+ Weekly Workers' Compensation Benefit	+ 833.38
<hr/>	
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 VLDP 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*
VLDP 60% Work-Related Benefit Calculation	Example
Weekly Wage	\$ 1,250.00
× 60% VLDP Income Replacement	× 0.60
<hr/>	
Weekly VLDP Benefit at 60%	\$ 750.00*

*Sam's workers' compensation benefit exceeds his 60% income replacement level. Therefore, he will not receive a VLDP 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 VLDP 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 VLDP benefit will offset your workers' compensation benefit. Workers' compensation payments for permanent partial disabilities or medical, legal or rehabilitation expenses will not be included in determining the weekly amount.

WORKERS' COMPENSATION LUMP-SUM EXAMPLE

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

Lump-Sum Prorated Over Time	Example
Lump-Sum Amount to Be Applied to VLDP Benefit	\$6,000.00
÷ Lump-Sum Amount per Week	÷ 600.00
<hr/>	<hr/>
Number of Weeks VLDP Benefit Will Offset Workers' Compensation Benefit	10 Weeks*

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

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

Note: If you wish to use an advocacy service other than ReedGroup's, you will be responsible for paying the fees and will not be reimbursed for these services under VLDP. In addition, your VLDP benefit will be adjusted by an estimated SSDI benefit while your SSDI application is in review. Following the decision on your SSDI claim, your VLDP benefit will be adjusted accordingly.

VLDP AND SSDI BENEFIT CALCULATION EXAMPLE

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

Calculation	Example
Pre-Disability Income	\$ 5,000.00
× VLDP 60% Income Replacement	× 0.60
VLDP Long-Term Disability Monthly Benefit	\$ 3,000.00
- SSDI Monthly Disability Benefit	- 1,000.00
Amount of Adjusted VLDP Benefit	\$ 2,000.00
+ SSDI Monthly Disability Benefit	+ 1,000.00
Total Monthly Long-Term Disability Benefits at 60% Income Replacement	\$ 3,000.00

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

OUTSIDE INCOME OR OTHER BENEFIT PAYMENTS

The maximum amount of income replacement you can receive from all sources for a short-term disability is 100% 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 VLDP benefit will be offset by additional payments according to your applicable income replacement level:

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

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

VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) LONG-TERM CARE PLAN

As a participant in the Virginia Local Disability Program (VLDP), you are covered automatically under the VLDP Long-Term Care Plan. You pay no cost for this coverage while you are employed in a VLDP-covered position. The VLDP Long-Term Care Plan provides benefits if you need help with everyday life tasks because of a prolonged health problem or following a major illness or injury. The plan assists with the cost of:

- Care in a nursing home or hospice facility.
- Assisted living facility care.
- Community-based care.
- Home healthcare services.
- Informal 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 VLDP 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; 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.

IF YOU LEAVE OR RETIRE FROM YOUR POSITION

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

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

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).

VLDP LONG-TERM CARE PLAN HIGHLIGHTS

Plan Sponsor	The Virginia Retirement System (VRS) administers the long-term care program as part of the Virginia Local Disability Program (VLDP).
Plan Administrator	VRS has contracted with the Long Term Care Group Inc. to administer benefits under the plan. For more information about your coverage or to apply for benefits, contact the Long Term Care Group Inc. toll-free at 800-761-4057 or P.O. Box 64011, St. Paul, MN 55164-0011.
Eligible Participants	You are covered automatically under the VLDP Long-Term Care Plan if you are enrolled in the Virginia Local Disability Program (VLDP).
Benefit Eligibility	You are eligible for benefits when a licensed healthcare practitioner certifies that you: <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 VLDP participant. See Continuing Coverage below.
How Benefits Are Paid	Your coverage pays a benefit equal to the lesser of: <ul style="list-style-type: none"> • Actual qualified expenses incurred per day; or • Allowable daily benefit amount.
Waiting Period	Your benefits are payable 90 calendar days after the beginning of each incident certified by a licensed healthcare practitioner as eligible for VLDP long-term care benefits.
Continuing Coverage	If you leave your VLDP-covered position, you can continue coverage in the VLDP Long-Term Care Plan at group rates. You must elect to continue your coverage within 60 days of leaving VLDP-covered employment. You will pay the premiums. See "If You Leave or Retire from Your Position" in this chapter. For more information, call the Long Term Care Group Inc. toll-free at 800-761-4057.

VLDP LONG-TERM CARE PLAN BENEFITS

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

Nursing Care Facility	<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 the Long Term Care Group Inc. 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>

VLDP LONG-TERM CARE PLAN BENEFITS

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

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 the Long Term Care Group Inc. as the third-party administrator for the VLDP Long-Term Care Plan. Call the Long Term Care Group Inc. toll-free at 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.

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. If you are an employee of a school division or a political subdivision that has elected to participate in the program, you are eligible to apply for coverage for yourself and 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. They include:

- Your spouse or surviving spouse.
- Adult children.
- Parents, parents-in-law and step parents.
- 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 VLDP 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.

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 ReedGroup as the third-party administrator for the Virginia Local Disability Program (VLDP). ReedGroup reviews all claims for VLDP benefits and notifies you in writing of the approval or denial of your claim. Call ReedGroup 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 VLDP Long-Term Care Plan, your claim will be reviewed by the Long Term Care Group Inc. Call toll-free 800-761-4057.

Cognitive Disability

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

Disability

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

Hybrid Retirement Plan

You are covered under the Hybrid Retirement Plan if your membership date is on or after January 1, 2014. This includes judges elected or appointed to an original term on or after January 1, 2014, regardless if vested 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 (ORP), you must elect the ORP or the VRS Hybrid Retirement Plan. If you have prior service under Plan 1 or Plan 2, you are not eligible to elect the hybrid plan and will choose between the ORP or the applicable VRS defined benefit plan.

Note: Plan 1 and Plan 2 state, school division and political subdivision employees had the opportunity to make an irrevocable decision to elect the Hybrid Retirement Plan during an election period held January 1 to April 30, 2014. If elected, participation in the hybrid plan began July 1, 2014.

Licensed Healthcare Professional

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

Major Chronic Condition

A major chronic condition is a life-threatening health condition that exists over a prolonged period of time and is not expected to improve.

Partial Disability

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

Pregnancy

VLDP provides up to six weeks of post-partum income replacement following a normal delivery or C-section.

**Qualifying Periods
for Benefits**

- Seven-calendar-day elimination period. Disability benefits begin on the eighth day of your disability.
- One-year waiting period for non-work-related short-term disability coverage. After one year of continuous participation in VLDP with your current employer, you will become eligible for non-work-related short-term disability coverage.
- Five-year eligibility period for higher income replacement levels. After five years of continuous participation in VLDP with your current employer, you will become eligible for higher income replacement levels if you go on short-term disability.
- 90-calendar-day waiting period for long-term care benefits. VLDP long-term care benefits are payable 90 calendar days after the beginning of each incident certified as eligible for benefits by a licensed healthcare practitioner.

Rehabilitation Plan

If you need medical or vocational rehabilitation to return to work, ReedGroup 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, ReedGroup 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., Monday through Friday. 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 & Counseling from the homepage. For Deferred Compensation Plan Regional Education Meetings, select the Defined Contribution Plans button.



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