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HOUSE BILL NO. 461

Offered January 11, 2006

Prefiled January 9, 2006

A *BILL to amend and reenact §§ 51.1-1112 and 51.1-1123 of the Code of Virginia, relating to the Virginia Retirement System; sickness and disability program.*

Patron—Ingram

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That §§ 51.1-1112 and 51.1-1123 of the Code of Virginia are amended and reenacted as follows:

§ 51.1-1112. Long-term disability benefit.

A. Long-term disability benefits for participating employees shall commence upon the expiration of a ~~125-work-day waiting period~~. The waiting period shall commence the first day of the disability the maximum period for which the participating employee is eligible to receive short-term disability benefits under § 51.1-1110. If an employee returns to work for 14 or fewer consecutive calendar days during such ~~125-work-day waiting~~ the period in which he is receiving short-term disability benefits and cannot continue to work, the periods worked shall not be deemed to have interrupted the ~~125-work-day waiting~~ short-term disability benefits period. However, if the cause of the participating employee's disability is a major chronic condition, as defined by the Board or its designee, the ~~125-work-day waiting~~ short-term disability benefits period is cumulative from the first day of the disability period and can be interrupted by periods of active employment.

B. Except as provided in subsection D and § 51.1-1131, long-term disability benefits shall provide income replacement in an amount equal to 60 percent of a participating employee's creditable compensation.

C. Creditable compensation during periods an employee receives long-term disability benefits shall (i) not include salary increases awarded during the period covered by long-term disability benefits and (ii) be increased annually by an amount recommended by the actuary of the Virginia Sickness and Disability Program and approved by the Board.

D. An employee's disability credits shall be used, on a day for day basis, to extend the period an employee receives long-term disability benefits paid at 100 percent of replacement of creditable compensation.

E. Long-term disability benefits shall be payable only during periods of (i) total disability or (ii) partial disability.

F. Unless otherwise directed, to be eligible for benefits under this section, the employee must apply for Social Security disability benefits.

§ 51.1-1123. Supplemental long-term disability benefit.

A. Supplemental long-term disability benefits for participating employees shall commence upon the expiration of a ~~125-work-day waiting period~~. The waiting period shall commence the first day of the disability the maximum period for which the participating employee is eligible to receive short-term disability benefits under § 51.1-1121. If an employee returns to work for 14 or fewer consecutive days during such ~~125-work-day~~ the period in which he is receiving short-term disability benefits and cannot continue to work, the periods worked shall not be deemed to interrupt the ~~125-work-day waiting~~ short-term disability benefits period. However, if the cause of the participating employee's disability is a major chronic condition, as defined by the Board or its designee, the ~~125-work-day waiting~~ short-term disability benefits period is cumulative from the first day of the disability and can be interrupted by periods of active employment.

B. Except as provided in subsection D and § 51.1-1131, supplemental long-term disability benefits shall provide income replacement in an amount equal to 60 percent of a participating employee's creditable compensation.

C. Creditable compensation during periods an employee receives supplemental long-term disability benefits shall (i) not include salary increases awarded during the period covered by long-term disability benefits and (ii) be increased annually by an amount recommended by the program actuary and approved by the Board.

D. An employee's disability credits shall be used, on a day-for-day basis, to extend the period an employee receives supplemental long-term disability benefits paid at 100 percent of replacement of creditable compensation.

E. Payments of supplemental long-term disability benefits payable under this article shall be reduced

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59 by an amount equal to any benefits paid to the employee under the Act, for which the employee is
60 entitled to receive under the Act, excluding any benefit for medical, legal or rehabilitation expenses.

61 F. Supplemental long-term disability benefits shall be payable only during periods of total and partial
62 disability.

63 G. To be eligible for benefits under this section, the employee must apply for Social Security
64 disability benefits.