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## SENATE BILL NO. 65

Offered January 13, 2016

Prefiled December 19, 2015

*A BILL to amend and reenact § 51.1-1103 of the Code of Virginia, relating to the Virginia Sickness and Disability Program; open enrollment period.*

Patrons—Ruff and Carrico

Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:**

**1. That § 51.1-1103 of the Code of Virginia is amended and reenacted as follows:**

**§ 51.1-1103. Participation in the program.**

A. All prior elections to participate in the program shall be irrevocable.

B. 1. Except for eligible employees who are employed by an institution of higher education in a faculty position performing teaching, research, or administrative duties, all eligible employees commencing employment or who are reemployed on or after January 1, 1999, shall participate in the program. The effective date of participation in the program for such employees shall be their first day of employment.

2. Except for such employees of an institution of higher education, all eligible employees not participating in the program prior to October 1, 2002, shall as of September 30, 2016, may elect to participate in the program effective January 10, 2003, unless such employee elects not to participate in the program as provided herein. Any election not to participate shall be in writing, and on forms prescribed by the Retirement System, and shall be received by the Retirement System during the period commencing on October 1, 2002 2016, but before January 1, 2003 2017. An election not to participate in the program shall be irrevocable and such employee shall be ineligible to participate in the program for the period of his continued employment by the Commonwealth except that any such. Any employee who elects to participate in the hybrid retirement program described in § 51.1-169 shall participate in the program. *The effective date of participation in the program for electing employees shall be the first day of the pay period following the delivery of the notice of election to the Retirement System.*

C. Any eligible employee who is employed by an institution of higher education in a faculty position performing teaching, research, or administrative duties may elect to participate in the program established under this chapter or under an existing program provided by the institution. Any eligible employee who is (i) employed by an institution of higher education in a faculty position performing teaching, research, or administrative duties prior to October 1, 2002 as of September 30, 2016, and (ii) not participating in the program; shall participate in the program established under this chapter effective January 10, 2003, unless such employee elects not as a result of a prior election not to participate, may elect to participate in the manner provided in subdivision B 2. Any eligible employee of an institution of higher education in a faculty position performing teaching, research, or administrative duties employed or reemployed on or after October 1, 2002 September 30, 2016, shall participate in the program unless such employee elects not to participate in the program, in writing and on such forms as prescribed by the Retirement System, within 60 days from the time of entry upon the performance of his duties. The effective date of participation in the program for such employee shall be the first day following the expiration of such 60-day period or January 10, 2003, whichever is later.

Any eligible employee under this subsection shall participate in the sickness and disability program established by his institution of higher education until such time as the employee participates in the program established under this chapter. If the institution of higher education has not established its own sickness and disability program, such eligible employee shall participate in the program established under this chapter effective on his first day of employment.

~~An election~~ Any eligible employee electing not to participate in the program established under this chapter shall be irrevocable and such employee shall be ineligible to participate in the program for the period of his continued employment by the Commonwealth.

D. Notwithstanding any provision to the contrary, no participating employee commencing employment or reemployment on or after July 1, 2009, shall receive benefits under Article 3 of this Chapter (§ 51.1-1109 et seq.) (Nonwork Related Disability Benefits) until the participating employee completes one continuous year of active employment or reemployment.

E. The provisions of this subsection shall apply to any eligible employee who participates in the program under the provisions of subdivision B 2 or subsection C. Any eligible employee, including a person employed by an institution of higher education in a faculty position performing teaching,

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SB65

59 research, or administrative duties, who (i) is a member of the Retirement System, and (ii) commenced  
60 employment or was reemployed prior to January 1, 1999, shall have his sick leave balances, as of the  
61 effective date of coverage in the program, converted to disability credits, as provided in subsection F  
62 select one of the following options at the time of making his election to participate in the program:

63 1. To convert his sick leave balance as of the effective date of coverage to service credit under the  
64 Retirement System on the basis of one month of service for each 173 hours of sick leave, rounded to the  
65 next highest month; or

66 2. To convert his sick leave balance as of the effective date of coverage to disability credits as  
67 provided in subsection F.

68 F. Any eligible employee converting his sick leave balance as provided in subsection E shall receive  
69 one hour of disability credit for each hour of sick leave. Disability credits shall be used to continue  
70 periods for which the participating employee receives income replacement during periods of short-term  
71 and long-term disability at 100 percent of creditable compensation. Disability credits shall be reduced by  
72 one day for each day that the participating employee receives short-term or long-term disability benefits.

73 G. Upon retiring directly from state service and receiving an immediate annuity, the eligible  
74 employee's unused disability credits shall be converted to service credit under the Retirement System at  
75 the rate of one month of service for each 173 hours of disability credits, rounded to the next highest  
76 month, unless the employee elects to be paid for the balance of such disability credits under the same  
77 terms and subject to the same conditions as are in effect for the payment of sick leave benefits in the  
78 employee's agency on December 31, 1998. Upon leaving state service under any other circumstances,  
79 the employee shall be paid for the balance of such disability credits under the same terms and subject to  
80 the same conditions as are in effect for the payment of sick leave benefits in the employee's agency on  
81 December 31, 1998, unless he elects to have such credits converted to service credit under the  
82 Retirement System at the rate of one month of service for each 173 hours of disability credits, rounded  
83 to the next highest month. Upon entry into long-term disability, the employee may be paid for the  
84 balance of such disability credits under the same terms and subject to the same conditions in effect for  
85 payment of sick leave benefits in the employee's agency as of December 31, 1998.

86 H. Eligibility for participation in the program shall terminate upon the earliest to occur of an  
87 employee's (i) termination of employment, (ii) death, or (iii) retirement from service. Eligibility for  
88 participation in the program shall be suspended during periods that an employee is placed on nonpay  
89 status, including leave without pay, if such nonpay status is due to suspension pending investigation or  
90 outcome of employment-related court or disciplinary action.