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HOUSE BILL NO. 2243

House Amendments in [] — February 6, 2017

A *BILL to amend and reenact §§ 9.1-400, 9.1-400.1, 9.1-401, 9.1-404, and 9.1-407, as they shall become effective, and 9.1-408 of the Code of Virginia, relating to clarifications to the Line of Duty Act.*

Patron Prior to Engrossment—Delegate Jones

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That §§ 9.1-400, 9.1-400.1, 9.1-401, 9.1-404, and 9.1-407, as they shall become effective, and 9.1-408 of the Code of Virginia are amended and reenacted as follows:

§ 9.1-400. (Effective July 1, 2017) Title of chapter; definitions.

A. This chapter shall be known and designated as the Line of Duty Act.

B. As used in this chapter, unless the context requires a different meaning:

"Beneficiary" means the spouse of a deceased person and such persons as are entitled to take under the will of a deceased person if testate, or as his heirs at law if intestate.

(Effective until July 1, 2018) "Deceased person" means any individual whose death occurs on or after April 8, 1972, in the line of duty as the direct or proximate result of the performance of his duty, including the presumptions under §§ 27-40.1, 27-40.2, 51.1-813, 65.2-402, and 65.2-402.1 if his position is covered by the applicable statute, as a law-enforcement officer of the Commonwealth or any of its political subdivisions; a correctional officer as defined in § 53.1-1; a jail officer; a regional jail or jail farm superintendent; a sheriff, deputy sheriff, or city sergeant or deputy city sergeant of the City of Richmond; a police chaplain; a member of any fire company or department or emergency medical services agency that has been recognized by an ordinance or a resolution of the governing body of any county, city, or town of the Commonwealth as an integral part of the official safety program of such county, city, or town; a member of any fire company providing fire protection services for facilities of the Virginia National Guard or the Virginia Air National Guard; a member of the Virginia National Guard or the Virginia Defense Force while such member is serving in the Virginia National Guard or the Virginia Defense Force on official state duty or federal duty under Title 32 of the United States Code; any special agent of the Virginia Alcoholic Beverage Control Board; any regular or special conservation police officer who receives compensation from a county, city, or town or from the Commonwealth appointed pursuant to the provisions of § 29.1-200; any commissioned forest warden appointed under the provisions of § 10.1-1135; any member or employee of the Virginia Marine Resources Commission granted the power of arrest pursuant to § 28.2-900; any Department of Emergency Management hazardous materials officer; any other employee of the Department of Emergency Management who is performing official duties of the agency, when those duties are related to a major disaster or emergency, as defined in § 44-146.16, that has been or is later declared to exist under the authority of the Governor in accordance with § 44-146.28; any employee of any county, city, or town performing official emergency management or emergency services duties in cooperation with the Department of Emergency Management, when those duties are related to a major disaster or emergency, as defined in § 44-146.16, that has been or is later declared to exist under the authority of the Governor in accordance with § 44-146.28 or a local emergency, as defined in § 44-146.16, declared by a local governing body; any nonfirefighter regional hazardous materials emergency response team member; any conservation officer of the Department of Conservation and Recreation commissioned pursuant to § 10.1-115; or any full-time sworn member of the enforcement division of the Department of Motor Vehicles appointed pursuant to § 46.2-217.

(Effective July 1, 2018) "Deceased person" means any individual whose death occurs on or after April 8, 1972, in the line of duty as the direct or proximate result of the performance of his duty, including the presumptions under §§ 27-40.1, 27-40.2, 51.1-813, 65.2-402, and 65.2-402.1 if his position is covered by the applicable statute, as a law-enforcement officer of the Commonwealth or any of its political subdivisions; a correctional officer as defined in § 53.1-1; a jail officer; a regional jail or jail farm superintendent; a sheriff, deputy sheriff, or city sergeant or deputy city sergeant of the City of Richmond; a police chaplain; a member of any fire company or department or emergency medical services agency that has been recognized by an ordinance or a resolution of the governing body of any county, city, or town of the Commonwealth as an integral part of the official safety program of such county, city, or town; a member of any fire company providing fire protection services for facilities of the Virginia National Guard or the Virginia Air National Guard; a member of the Virginia National

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59 Guard or the Virginia Defense Force while such member is serving in the Virginia National Guard or
60 the Virginia Defense Force on official state duty or federal duty under Title 32 of the United States
61 Code; any special agent of the Virginia Alcoholic Beverage Control Authority; any regular or special
62 conservation police officer who receives compensation from a county, city, or town or from the
63 Commonwealth appointed pursuant to the provisions of § 29.1-200; any commissioned forest warden
64 appointed under the provisions of § 10.1-1135; any member or employee of the Virginia Marine
65 Resources Commission granted the power of arrest pursuant to § 28.2-900; any Department of
66 Emergency Management hazardous materials officer; any other employee of the Department of
67 Emergency Management who is performing official duties of the agency, when those duties are related
68 to a major disaster or emergency, as defined in § 44-146.16, that has been or is later declared to exist
69 under the authority of the Governor in accordance with § 44-146.28; any employee of any county, city,
70 or town performing official emergency management or emergency services duties in cooperation with
71 the Department of Emergency Management, when those duties are related to a major disaster or
72 emergency, as defined in § 44-146.16, that has been or is later declared to exist under the authority of
73 the Governor in accordance with § 44-146.28 or a local emergency, as defined in § 44-146.16, declared
74 by a local governing body; any nonfirefighter regional hazardous materials emergency response team
75 member; any conservation officer of the Department of Conservation and Recreation commissioned
76 pursuant to § 10.1-115; or any full-time sworn member of the enforcement division of the Department of
77 Motor Vehicles appointed pursuant to § 46.2-217.

78 "Disabled person" means any individual who has been determined to be mentally or physically
79 incapacitated so as to prevent the further performance of his duties at the time of his disability where
80 such incapacity is likely to be permanent, and whose incapacity occurs in the line of duty as the direct
81 or proximate result of the performance of his duty, including the presumptions under §§ 27-40.1,
82 27-40.2, 51.1-813, 65.2-402, and 65.2-402.1 if his position is covered by the applicable statute, in any
83 position listed in the definition of deceased person in this section. "Disabled person" does not include
84 any individual who has been determined to be no longer disabled pursuant to subdivision A 2 of
85 § 9.1-404. Disabled person also does not include any individual during any period in which his health
86 insurance coverage in the LODA Health Benefits Plan is suspended pursuant to subdivision C 4 of
87 ~~§ 9.1-401~~. "Disabled person" includes any state employee included in the definition of a deceased person
88 who was disabled on or after January 1, 1966.

89 "Eligible dependent" for purposes of continued health insurance pursuant to § 9.1-401 means the
90 natural or adopted child or children of a deceased person or disabled person or of a deceased or disabled
91 person's eligible spouse, ~~including any children born as the result of a pregnancy or adopted pursuant to~~
92 ~~a preadoptive agreement, either of which occurred provided that any such natural child is born as the~~
93 ~~result of a pregnancy that occurred prior to the time of the employee's death or disability and that any~~
94 ~~such adopted child is (i) adopted prior to the time of the employee's death or disability, or (ii) adopted~~
95 ~~after the employee's death or disability if the adoption is pursuant to a preadoptive agreement entered~~
96 ~~into prior to the death or disability.~~ Eligibility will continue until the end of the year in which the
97 eligible dependent reaches age 26 or when the eligible dependent ceases to be eligible based on the
98 Virginia Administrative Code or administrative guidance as determined by the Department of Human
99 Resource Management.

100 "Eligible spouse" for purposes of continued health insurance pursuant to § 9.1-401 means the spouse
101 of a deceased person or a disabled person at the time of the death or disability. Eligibility will continue
102 until the eligible spouse dies, ceases to be married to a disabled person, or in the case of the spouse of a
103 deceased person, dies, remarries [*on or after July 1, 2017*], or otherwise ceases to be eligible based
104 on the Virginia Administrative Code or administrative guidance as determined by the Department of
105 Human Resource Management.

106 "Employee" means any person who would be covered or whose spouse, dependents, or beneficiaries
107 would be covered under the benefits of this chapter if the person became a disabled person or a
108 deceased person.

109 "Employer" means (i) the employer of a person who is a covered employee or (ii) in the case of a
110 volunteer who is a member of any fire company or department or rescue squad described in the
111 definition of "deceased person," the county, city, or town that by ordinance or resolution recognized
112 such fire company or department or rescue squad as an integral part of the official safety program of
113 such locality.

114 "Fund" means the Line of Duty Death and Health Benefits Trust Fund established pursuant to
115 § 9.1-400.1.

116 "Line of duty" means any action the deceased or disabled person was obligated or authorized to
117 perform by rule, regulation, condition of employment or service, or law.

118 "LODA Health Benefits Plans" means the separate health benefits plans established pursuant to
119 § 9.1-401.

120 "Nonparticipating employer" means any employer that is a political subdivision of the

Commonwealth that elected ~~on or before July 1, 2012,~~ to directly fund the cost of benefits provided under this chapter and not participate in the Fund.

"Participating employer" means any employer that is a state agency or is a political subdivision of the Commonwealth that did not make an election to become a nonparticipating employer.

"VRS" means the Virginia Retirement System.

§ 9.1-400.1. (Effective July 1, 2017) Line of Duty Death and Health Benefits Trust Fund.

A. There is hereby established a permanent and perpetual fund to be known as the Line of Duty Death and Health Benefits Trust Fund, consisting of such moneys as may be appropriated by the General Assembly, contributions or reimbursements from participating and nonparticipating employers, gifts, bequests, endowments, or grants from the United States government or its agencies or instrumentalities, net income from the investment of moneys held in the Fund, and any other available sources of funds, public and private. Any moneys remaining in the Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest and income earned from the investment of such moneys shall remain in the Fund and be credited to it. The moneys in the Fund shall be (i) deemed separate and independent trust funds, (ii) segregated and accounted for separately from all other funds of the Commonwealth, and (iii) administered solely in the interests of the persons who are covered under the benefits provided pursuant to this chapter. Deposits to and assets of the Fund shall not be subject to the claims of creditors.

B. The Virginia Retirement System shall invest, reinvest, and manage the assets of the Fund as provided in § 51.1-124.39 and shall be reimbursed from the Fund for such activities as provided in that section.

C. The Fund shall be used to provide the benefits under this chapter related to disabled persons, deceased persons, eligible dependents, and eligible spouses on behalf of participating employers and to pay related administrative costs.

D. Each participating employer shall make annual contributions to the Fund and provide information as determined by VRS. The amount of the contribution for each participating employer shall be determined on a current disbursement basis in accordance with the provisions of this section. *For purposes of establishing contribution amounts for participating employers, a member of any fire company or department or rescue squad that has been recognized by an ordinance or a resolution of the governing body of any locality of the Commonwealth as an integral part of the official safety program of such locality shall be considered part of the locality served by the company, department, or rescue squad. If a company, department, or rescue squad serves more than one locality, the affected localities shall determine the basis and apportionment of the required covered payroll and contributions for each company, department, or rescue squad.*

If any participating employer fails to remit contributions or other fees or costs associated with the Fund, VRS shall inform the State Comptroller and the affected participating employer of the delinquent amount. In calculating the delinquent amount, VRS may impose an interest rate of one percent per month of delinquency. The State Comptroller shall forthwith transfer such delinquent amount, plus interest, from any moneys otherwise distributable to such participating employer.

§ 9.1-401. (Effective July 1, 2017) Continued health insurance coverage for disabled persons, eligible spouses, and eligible dependents.

A. ~~Employees~~ Disabled persons, eligible spouses, and eligible dependents shall be afforded continued health insurance coverage as provided in this section, the cost of which shall be paid by the nonparticipating employer to the Department of Human Resource Management or from the Fund on behalf of a participating employer, as applicable. If any disabled person *or eligible spouse* is receiving the benefits described in this section and would otherwise qualify for the health insurance credit described in Chapter 14 (§ 51.1-1400 et seq.) of Title 51.1, the amount of such credit shall be deposited into the Line of Duty Death and Health Benefits Trust Fund or paid to the nonparticipating employer, as applicable, from the health insurance credit trust fund, in a manner prescribed by VRS.

B. 1. The continued health insurance coverage provided by this section for all disabled persons, eligible spouses, and eligible dependents shall be through separate plans, referred to as the LODA Health Benefits Plans (the Plans), administered by the Department of Human Resource Management. The Plans shall comply with all applicable federal and state laws and shall be modeled upon state employee health benefits program plans. Funding of the Plans' reserves and contingency shall be provided through a line of credit, the amount of which shall be based on an actuarially determined estimate of liabilities. The Department of Human Resource Management shall be reimbursed for health insurance premiums and all reasonable costs incurred and associated, directly and indirectly, in performing the duties pursuant to this section (i) from the Line of Duty Death and Health Benefits Trust Fund for costs related to disabled persons, deceased persons, eligible dependents, and eligible spouses on behalf of participating employers and (ii) from a nonparticipating employer for premiums and costs related to disabled persons, deceased persons, eligible dependents, and eligible spouses for which the

182 nonparticipating employer is responsible. If any nonparticipating employer fails to remit such premiums
183 and costs, the Department of Human Resource Management shall inform the State Comptroller and the
184 affected nonparticipating employer of the delinquent amount. In calculating the delinquent amount, the
185 Department of Human Resource Management may impose an interest rate of one percent per month of
186 delinquency. The State Comptroller shall forthwith transfer such delinquent amount, plus interest, from
187 any moneys otherwise distributable to such nonparticipating employer.

188 2. In the event that temporary health care insurance coverage is needed for *employees disabled*
189 *persons*, eligible spouses, and eligible dependents during the period of transition into the LODA Health
190 Benefits Plans, the Department of Human Resource Management is authorized to acquire and provide
191 temporary transitional health insurance coverage. The type and source of the transitional health plans
192 shall be within the sole discretion of the Department of Human Resource Management. Transitional
193 coverage for eligible dependents shall comply with the eligibility criteria of the transitional plans until
194 enrollment in the LODA Health Benefits Plan can be completed.

195 C. 1. a. Except as provided in subdivision 2 and any other law, continued health insurance coverage
196 in any LODA Health Benefits Plans shall not be provided to any person (i) whose coverage under the
197 Plan is based on a deceased person's death or a disabled person's disability occurring on or after July 1,
198 2017 and (ii) who is eligible for Medicare due to age.

199 b. Coverage in the LODA Health Benefits Plans shall also cease for any person upon his death.

200 2. The provisions of subdivision 1 a shall not apply to any disabled person who is eligible for
201 Medicare due to disability under Social Security Disability Insurance or a Railroad Retirement Board
202 Disability Annuity. The Department of Human Resource Management may provide such disabled person
203 coverage under a LODA Health Benefits Plan that is separate from the plan for other persons.

204 3. Continued health insurance under this section shall also terminate upon the disabled person's return
205 to full duty in any position listed in the definition of deceased person in § 9.1-400. Such disabled person
206 shall promptly notify the participating or nonparticipating employer, VRS, and the Department of
207 Human Resource Management upon his return to work.

208 4. Such continued health insurance shall be suspended for the *Plan* year following a calendar year in
209 which the disabled person *whose coverage under the Plan is based on a disability occurring on or after*
210 *July 1, 2017*, has earned income in an amount equal to or greater than the salary of the position held by
211 the disabled person at the time of disability, indexed annually based upon the annual increases in the
212 United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published
213 by the Bureau of Labor Statistics of the U.S. Department of Labor. Such suspension shall cease the *Plan*
214 year following a calendar year in which the disabled person has not earned such amount of income. The
215 disabled person shall notify the participating or nonparticipating employer, VRS, and the Department of
216 Human Resource Management no later than ~~January~~ *15 March* 1 of the year following any year in
217 which he earns income of such amount, and notify the participating or nonparticipating employer, VRS,
218 and the Department of Human Resource Management when he no longer is earning such amount. Upon
219 request, a disabled person shall provide VRS and the Department of Human Resource Management with
220 documentation of earned income.

221 **§ 9.1-404. (Effective July 1, 2017) Order of the Virginia Retirement System.**

222 A. 1. The Virginia Retirement System shall make an eligibility determination within 45 days of
223 receiving all necessary information for determining eligibility for a claim filed under § 9.1-403. *The*
224 *Virginia Retirement System may use a medical board pursuant to § 51.1-124.23 in determining*
225 *eligibility*. If benefits under this chapter are due, VRS shall notify the nonparticipating employer, which
226 shall provide the benefits within 15 days of such notice, or VRS shall pay the benefits from the Fund on
227 behalf of the participating employer within 15 days of the determination, as applicable. The payments
228 shall be retroactive to the first date that the disabled person was no longer eligible for health insurance
229 coverage subsidized by his employer.

230 2. Two years after an individual has been determined to be a disabled person, VRS may require the
231 disabled person to renew the determination through a process established by VRS. If a disabled person
232 refuses to submit to the determination renewal process described in this subdivision, then benefits under
233 this chapter shall cease for the individual, any eligible dependents, and an eligible spouse until the
234 individual complies. If such individual does not comply within six months from the date of the initial
235 request for a renewed determination, then benefits under this chapter shall permanently cease for the
236 individual, any eligible dependents, and an eligible spouse. If VRS issues a renewed determination that
237 an individual is no longer a disabled person, then benefits under this chapter shall permanently cease for
238 the individual, any eligible dependents, and an eligible spouse. If VRS issues a renewed determination
239 that an individual remains a disabled person, then VRS may require the disabled person to renew the
240 determination five years after such renewed determination through a process established by VRS. The
241 Virginia Retirement System may require the disabled person to renew the determination at any time if
242 VRS has information indicating that the person may no longer be disabled.

243 B. The Virginia Retirement System shall be reimbursed for all reasonable costs incurred and

associated, directly and indirectly, in performing the duties pursuant to this chapter (i) from the Line of Duty Death and Health Benefits Trust Fund for costs related to disabled persons, deceased persons, eligible dependents, and eligible spouses on behalf of participating employers and (ii) from a nonparticipating employer for premiums and costs related to disabled persons, deceased persons, eligible dependents, and eligible spouses for which the nonparticipating employer is responsible.

C. The Virginia Retirement System may develop policies and procedures necessary to carry out the provisions of this chapter.

§ 9.1-407. (Effective July 1, 2017) Training.

Any ~~law-enforcement or public safety officer~~ *employee* entitled to benefits under this chapter shall receive training within 30 days of his employment, and again every two years thereafter, concerning the benefits available to himself or his beneficiary in case of disability or death in the line of duty. The *Virginia Retirement System and the Department of Human Resource Management, in consultation with the Secretary of Public Safety and Homeland Security*, shall develop training information to be distributed to ~~agencies and localities with employees subject to this chapter~~ *employers*. The ~~agency or locality employer~~ shall be responsible for providing the training. Such training shall not count toward in-service training requirements for law-enforcement officers pursuant to § 9.1-102 and shall include, but not be limited to, the general rules for intestate succession described in § 64.2-200 that may be applicable to the distribution of benefits provided under § 9.1-402.

§ 9.1-408. Records of investigation confidential.

A. Evidence and documents obtained by or created by, and the report of investigation prepared by, the Department of State Police, *the Virginia Retirement System, or the Department of Human Resource Management* in carrying out the provisions of this chapter shall (i) be deemed confidential, (ii) be exempt from disclosure under the Freedom of Information Act (§ 2.2-3700 et seq.), and (iii) not be released in whole or in part by any person to any person except as provided in this chapter. *Notwithstanding the provisions of this section, VRS may release to necessary parties such information, documents, and reports for purposes of administering appeals under this chapter.*

B. *Notwithstanding subsection A, the Department of State Police and the Department of Accounts shall, upon request, share with the Virginia Retirement System and the Department of Human Resource Management any information, evidence, documents, and reports of investigation related to existing and past claims for benefits provided under Chapter 4 (§ 9.1-400 et seq.) of Title 9.1 of the Code of Virginia. Such information, evidence, documents, and reports of investigation shall be exempt from disclosure under the Virginia Freedom of Information Act (§ 2.2-3700 et seq.) of the Code of Virginia.*

2. That an emergency exists and § 9.1-408 of the Code of Virginia, as amended by this act, is in force from its passage.