



CHESTERFIELD COUNTY ADMINISTRATIVE POLICIES AND PROCEDURES

Department: Human Resources
Subject: Short- and Long-Term-Disability Benefits

Policy Number: 6-28
Supersedes: 09/15/19
Date Issued: 09/01/20

I. INTRODUCTION

Short-term-disability benefits are available to employees in the PTO leave plan (see HR Policy 6-1) as well as to employees in the VRS Hybrid Plan. Long-term-disability benefits are available to any full-time employee who voluntarily enrolls in the plan offered by the county, as well as to employees in the VRS Hybrid Plan.

II. DEFINITIONS

- A. **Elimination Period** – A waiting period before an employee can utilize short-term or long-term-disability benefits.
- B. **Retiree** – A full-time employee who retires directly from the county and immediately begins to collect a retirement benefit from VRS. This includes disability retirees whose retirement applications are approved retroactive to their separation date.
- C. **Sick Leave Reserve (SLR)** – Hours that are transferred from an employee’s traditional sick leave plan to their PTO leave plan when they elect to participate in PTO. Once transferred SLR may only be used in certain situations as outlined below.
- D. **Short-Term Disability (STD)** – A benefit plan that provides income replacement to eligible employees when the employee is unable to work due to an illness, injury or disability. STD benefits will vary based on the applicable plan at the time of disability.
- E. **Long-Term Disability (LTD)** – A benefit plan that provides income replacement to eligible employees, when the employee is unable to work for an extended period of time, a minimum of 90 days. LTD benefits will vary based on the applicable plan at the time of disability.
- F. **VRS Hybrid Plan** – Full-time employees hired after January 1, 2014, who have no prior VRS service, or who took a refund of any prior VRS service, are enrolled in the VRS Hybrid Plan. STD and LTD benefits are part of the VRS Hybrid Plan and do not require separate enrollment. Benefits due under the plan are administered in accordance with the Virginia Code.

III. SHORT-TERM DISABILITY

- A. **Eligibility** – All PTO enrollees are eligible to participate in STD at no cost to them.
 - 1. County Short-Term-Disability Plan – The following employees may be eligible to receive benefits from the county’s STD Plan:
 - a. Employees who are enrolled in the PTO plan and members of VRS, but not members of the VRS Hybrid Plan.
 - b. Employees hired after January 1, 2014, who are members of the Hybrid Plan, until they become eligible for STD available through the Hybrid Plan (typically one year).
 - c. Public safety employees with enhanced hazardous duty benefits.
 - 2. Hybrid Short-Term-Disability Plan – Employees hired after January 1, 2014, who are members of the VRS Hybrid Plan and have met the one year waiting period may be eligible to receive benefits from the Hybrid STD Plan beginning:
 - a. The first day of employment for a work-related injury.

- b. The first day after one year of employment for a non-work related injury.
- B. **Waiting Period for New Employees for the County STD Plan** – If an employee’s hire date is on or before the 15th day of the month, coverage is effective the first day of the following month. If an employee’s hire date is after the 15th day of the month, coverage is effective the first of the second following month.
- C. **Pre-existing Limitation** – There is no pre-existing condition clause. However, disabilities that occur during the employee’s waiting period are not eligible for STD benefits.
- D. **Overpayments** – If STD benefits are overpaid for any reason, the county has the right to recover the amount overpaid.
- E. **Outside Employment** – STD benefits may be offset by wages received from employment outside of the county. Employees who have employment outside of the county must report any wages received from external employment. Failure to do so could result in disciplinary action, up to and including termination. Employees will be required to repay any overpayment of disability benefits caused by the failure to provide this information.
- F. Employees may not work a second county job or third-party overtime while in STD status.

IV. COUNTY SHORT-TERM-DISABILITY PLAN

- A. **Elimination Period** – There is a 14-calendar-day elimination period before STD benefits are payable when an employee is unable to work due to non-work-related illness, injury or disability. An employee must use parental leave (if applicable), accrued compensatory time or PTO for the first 14 consecutive calendar days of missed work. Leave without pay may not be taken until such time that the PTO bank has been exhausted. Once PTO is exhausted, the employee may be placed on leave without pay.
- B. **Filing a Claim** – It is the employee’s responsibility to immediately initiate a claim form as soon as they believe they will be out of work for more than 14 calendar days, but in no case shall it be later than the last day of the elimination period. Employees must contact their department HR liaison or supervisor to begin the claim process. If an employee is unable to initiate an STD claim, the department should initiate the claim on behalf of the employee. When possible, the medical certification should be submitted with the claim form; however, the employee has a maximum of 15 days to submit the medical certification form.
- C. **STD Benefits** – Upon HR approval, employees are eligible for a 60% income replacement benefit after the 14-day elimination period for a period of 10 weeks. Employees must use any remaining SLR and then PTO to supplement STD to remain at 100% of their pay. Donated leave received can be used to supplement pay, but not before PTO hours are exhausted unless the employee has elected to maintain PTO (40 hours maximum). In no instance shall the supplement exceed 100% of the employee’s regular base pay rate. After the 14-day elimination period an employee shall utilize the STD benefit in lieu of continuing to use PTO exclusively. Employees in the CO-County and CE-County Executive leave plans will not accrue PTO while they are receiving benefits under STD unless they are receiving partial STD. Employees that are in paid status for 60% or more of a pay period while on partial STD will accrue their regular leave for that pay period. Employees that are in paid status for less than 60% of a pay period will accrue no leave for that pay period. Employees in 24-hour operations who are not paid standard county holidays but accrue holidays as part of their biweekly leave accrual will continue to accrue a portion of PTO leave while in STD. The accrual rate while in STD for employees under the FF-Firefighter, HD-Holiday or LE-Law Enforcement leave plans will be four hours per pay period to account for hours typically accrued for holidays.

STD benefits are paid by the county on regular county paydays and are based on the employee’s regular rate of pay. STD benefits are subject to state and federal withholdings in the year they are received. Deductions from the employee’s paycheck will continue. County contributions toward health and dental coverage will also continue as long as the employee is

on STD. Employees receiving benefits from STD will receive VRS service and salary credit as defined in VRS guidelines.

Employees will not receive holiday pay while on STD. If a paid holiday occurs while an employee is on STD, the employee will receive the regular STD benefit for the day, which may be supplemented by applicable leave.

Employees on work-related disability are not eligible for county STD benefits.

D. **Discontinuation of STD Benefits** – STD benefits will be terminated at the earliest of the events below:

- At the conclusion of the 10-week STD maximum benefit;
- When an employee is no longer sick, injured, or disabled based on medical determination;
- Failure of the employee to provide medical certification of illness, injury, or disability;
- Termination of employment;
- The date of the death of the participating employee;
- Failure of the employee to provide documentation that he continues to be unable to work due to illness, injury, or disability or any other required documentation; or
- Falsification of records or other fraud or misuse

E. **Return to Work** - When an employee who has been out on STD for his own serious health condition is ready to return to work, the employee may be required to present a statement from his health care provider certifying that the employee is medically able to return to work.

Employees who have been absent from work in excess of 30 calendar days must have their treating physician complete the Treating Physician Clearance to Return to Work form. Refer to Administrative Procedure, 13-4 Return to Work Medical Evaluations for more details.

If an employee returns to work prior to the end of the STD 10-week benefit maximum for less than 14 calendar days and becomes disabled again due to the original disability (a recurrence), STD benefits will resume without a new elimination period.

A recurring disability or a new disability occurring after a return to work of 14 or more calendar days will be deemed a new disability. This will result in a new STD claim, with a new elimination period before benefits will apply. Employees who have a recurrence of the original disability can use donated leave remaining from their initial claim during the new elimination period.

If an employee returns to work on a modified or reduced schedule during the 10-week benefit period, a request for part-time STD benefits must be reviewed and approved.

When an employee returns to work on a reduced schedule during the 10-week benefit period, wages for hours worked are paid and STD replaces the regular hours not worked at the 60% pay replacement level.

F. **Request for an Independent Medical Examination** - The employee's department, in coordination with HR, may at any time request that the employee receiving STD report to the Employee Medical Center for an independent medical review to provide a second opinion.

V. **LONG-TERM DISABILITY**

When an employee is not expected to be able to return to work at the expiration of STD benefits, the employee may want to apply for LTD benefits, if eligible. Only employees who are enrolled in the LTD program are eligible for LTD benefits. Employees enrolled in the LTD plan pay 100% of the premiums, and the benefit is designed to begin after a 90-day elimination period or the exhaustion of all paid leave, whichever is later. LTD benefits provide tax-free income replacement at 65% of the employee's regular pay, up to a maximum monthly benefit of \$10,000. It is the employee's sole responsibility to enroll in the LTD program and to initiate a claim, if applicable. County contributions

for health and dental coverage will continue while an employee is on LTD. Employees may be separated from county service after a period of six consecutive months on LTD. At that time, county contributions for health and dental coverage will stop. Continuation of health and dental insurance will be available through COBRA.

VI. VRS DISABILITY RETIREMENT

Employees may be eligible to apply for VRS Disability Retirement if they are unable to work because of a disability that is likely to be permanent. Additional information is available on the VRS website, www.varetire.org.

VII. HYBRID SHORT-TERM DISABILITY PLAN

A. **Elimination Period** – There is a seven calendar day elimination period before STD benefits are payable when an employee is unable to work due to non-work-related illness, injury or disability. An employee must use parental leave (if applicable), accrued compensatory time or PTO for the first seven consecutive calendar days of missed work. Leave without pay may not be taken until such time that PTO has been exhausted. Once PTO is exhausted, the employee may be placed on leave without pay.

B. **Definition of Disability** – An employee is considered disabled if he or she:

1. is unable, as a result of a physical disease, injury, pregnancy or mental disorder, to perform with reasonable continuity the material duties of his or her own occupation; or
2. is working but, as a result of physical disease, injury, pregnancy or mental disorder, he or she is unable to earn 80% or more of his or her pre-disability earnings.

C. **FMLA** – Periods of STD will run concurrent with family medical leave.

D. **Filing a Claim** – It is the employee’s responsibility to file a claim as soon as the employee believes he/she will be out of work for more than the elimination period. Employees must contact their department HR liaison or supervisor to begin the claim process. A claim can be reported up to four weeks in advance of a planned disability absence, such as childbirth or a scheduled surgery. Delays in filing a claim could create a delay in receiving STD benefits. If an employee is unable to initiate an STD claim, the employee’s department may initiate the claim on behalf of the employee.

It will take approximately one week to issue a claim decision after the plan administrator receives the completed claim form.

E. **STD Benefits** – Benefit payments are calculated as a percentage of the creditable compensation reported to the Virginia Retirement System.

1. STD benefits will be paid according to the following charts:

Work-Related Disability			
Years of Participation	Work Days at 100% Income Replacement	Work Days at 80% Income Replacement	Work Days at 60% Income Replacement
<5	0	0	125
5-10	85	25	15
10 +	85	40	0

Non-Work-Related Disability			
Years of Participation	Work Days at 100% Income	Work Days at 80% Income	Work Days at 60% Income

	Replacement	Replacement	Replacement
<1	0	0	0
1-5	0	0	125
5-10	25	25	75
10-15	25	50	50
15 +	25	75	25

2. STD benefits are paid based on a Monday – Friday schedule (five days per workweek), regardless of the employee’s regular work schedule.
 3. STD benefits are paid by the county on regular county paydays and are subject to state and federal withholdings in the year they are received. Deductions from the employee’s paycheck will continue. County contributions toward health and dental coverage will also continue as long as the employee is on STD. Employees receiving benefits from STD will receive VRS service and salary credit as defined in VRS guidelines.
 4. PTO hours, or SLR, if available, will be used to supplement the employee to remain at 100% of their pay. Donated leave received can be used to supplement pay but not before PTO hours are exhausted unless the employee has elected to maintain PTO (40 hours maximum). In no instance shall the supplement exceed 100% of the employee’s regular pay.
 5. Employees will not receive holiday pay while on STD. If a paid holiday occurs while an employee is on STD, the employee will receive the regular STD benefit for the day, which may be supplemented by applicable leave.
 6. STD benefits for work-related disabilities will be offset by workers’ compensation payments made to the employee. Employees will not receive any benefits from the STD plan if their workers’ compensation payments exceed the amount due from the STD plan. Employees should file a claim for STD benefits even if it is unlikely they will receive an STD payment.
- F. **Leave Accruals** – Employees in the CO-County and CE-County Executive leave plans will not accrue PTO while they are receiving STD benefits. Employees in the HD-Holiday leave plan (24-hour operations who are not paid standard county holidays but accrue holidays as part of their biweekly leave accrual) will continue to accrue a portion of PTO leave while in STD. The accrual rate while in STD for these employees will be four hours per pay period to account for hours typically accrued for holidays.
- G. **Discontinuation of STD Benefits** – STD benefits will be terminated at the earliest of the events below:
- The end of the period of disability coverage as provided in section E;
 - The date of the death of the participating employee;
 - When an employee is no longer sick, injured, or disabled based on medical determination;
 - Failure of the employee to provide medical certification of illness, injury, or disability;
 - Termination of employment;
 - Failure of the employee to provide documentation that he continues to be unable to work due to illness, injury, or disability or any other required documentation; or
 - Falsification of records or other fraud or misuse

- H. **Return to Work** – When an employee who has been out on STD for his own serious health condition is ready to return to work, the employee may be required to present a statement from his health care provider certifying that the employee is medically able to return to work. Employees who have been absent from work in excess of 30 calendar days must have their treating physician complete the Treating Physician Clearance to Return to Work form. Refer to Administrative Procedure, 13-4 Return to Work Medical Evaluations for more details.
- An employee's disability, which is related or due to the same cause or causes as a prior disability for which STD benefits were paid, shall be deemed to be a continuation of the prior disability if the employee returns to his position on an active basis for less than 45 consecutive calendar days.
- A recurring disability or a new disability occurring after a return to work of 45 or more consecutive calendar days will be deemed a new disability. This will result in a new STD claim, with a new elimination period before benefits will apply.
- If an employee returns to work on a modified or reduced schedule during the benefit period, a request for part-time STD benefits must be reviewed and approved by the plan administrator.
- When an employee returns to work on a reduced schedule during the benefit period, wages for hours worked are paid and STD replaces the regular hours not worked at the appropriate pay replacement level.
- I. **Salary Increases** – Employees who receive salary increases during the period of STD will receive an increase in their STD payment, as well.

VIII. LONG-TERM DISABILITY FOR HYBRID EMPLOYEES

- LTD benefits shall begin upon expiration of the maximum period for which the employee is eligible to receive STD benefits. Employees do not need to file a new claim in order to begin receiving LTD benefits.
- A. LTD benefits will be paid on a monthly basis.
- B. In most cases, LTD benefits will be paid at a rate of 60% of the employee's creditable compensation. Employees with a catastrophic disability may receive 80% of their creditable compensation.
- C. Employees who receive salary increases during the period of LTD will NOT receive an increase in their LTD payment.
- D. Employees must also apply for Social Security disability benefits.
- E. An employee's disability, which is related or due to the same cause or causes as a prior disability for which LTD benefits were paid, shall be deemed to be a continuation of the prior disability if the employee returns to his position on an active basis for less than 125 consecutive calendar days.
- F. A recurring disability or a new disability occurring after a return to work of 125 or more consecutive calendar days will be deemed a new disability.
- G. LTD benefits may be offset by wages received from employment outside of the county. Employees who have employment outside of the county must report any wages received from external employment. Failure to do so could result in disciplinary action, up to and including termination. Employees will be required to repay any overpayment of disability benefits on account of the failure to provide this information.
- H. Once an employee has begun receiving LTD benefits, they may be separated from county service as an active employee. At that time, they will be eligible to continue health and dental insurance with no county contribution.
- I. **Discontinuation of LTD Benefits** – LTD benefits will be terminated at the earliest of the events below:

- The date of the employee's service retirement under the hybrid retirement program (normal Social Security age or when age plus years of service equals 90);
- An employee who is approved for disability benefits
 - At age 60-64 is eligible for five years of disability benefits
 - At age 65-68 is eligible for benefits until age 70
 - At age 69 is eligible for disability benefits for one year
- The date of the death of the participating employee;
- When an employee is no longer sick, injured, or disabled based on medical determination;
- Failure of the employee to provide medical certification of illness, injury, or disability;
- Failure of the employee to provide documentation that he continues to be unable to work due to illness, injury, or disability or any other required documentation; or
- Falsification of records or other fraud or misuse