

Policies and Procedures

TITLE: VIRGINIA SICKNESS AND DISABILITY PROGRAM (VSDP) LEAVE

POLICY NO: 3-9

VCCS POLICY NO: 3.9

EFFECTIVE DATE: 07/17/00

REVISED DATE: 04/23/19

I. Purpose:

To establish consistent application of the processing of Virginia Sickness and Disability Program (VSDP) leave for eligible full-time and part-time classified state employees, and full-time faculty members who have elected the Virginia Retirement System (VRS) retirement plan and VSDP coverage.

II. Definitions:

<u>Catastrophic condition</u>: a condition so severe or debilitating that an employee is unable to perform at least two (2) of the six (6) activities of daily living (bathing, dressing, toileting, transferring, bladder/bowel control, eating); or that requires substantial medical supervision to protect the employee from threats to health and safety as a result of severe cognitive impairment.

<u>Creditable compensation</u>: the full compensation payable annually to an eligible employee working full-time in a covered position, and which includes salary increases awarded during the period of short-term disability coverage. Creditable compensation does not include overtime pay or supplemental pay actions.

<u>Disability</u>: an illness, injury, or other medical condition that renders an eligible employee partially or totally incapable of performing the duties of his/her job.

<u>Disability credits</u>: sick leave that is converted to be used to supplement periods of 80% or 60% income replacement to obtain 100% payment, and must be used in eight-hour increments. Employees are required to use disability credits when in long-term disability.

<u>Long-term care benefits</u>: provides payment for nursing home care, assisted living facility care, hospice care, at-home services, and community-based care at a maximum daily benefit amount of \$96.00 and with a lifetime maximum of \$70,080. There is no cost for this benefit for those enrolled in the Virginia Sickness and Disability Program (VSDP).

<u>Long-term disability benefits</u>: an income replacement benefit that commences upon the expiration of the maximum period for which the employee is eligible to receive short-term disability benefits, and provides income replacement in an amount equal to 60% of a participating employee's creditable compensation (80% if the disability/illness has been designated catastrophic).

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<u>Partial disability</u>: exists during the first twenty-four (24) months following the occurrence or commencement of an illness or injury when an employee is able to perform one or more, but not all, of the essential job functions of his/her own job on a full- or a part-time basis; or, is able to perform all of the essential job functions of his/her own job only on a part-time basis. An employee shall be eligible for partial disability benefits if he/she is earning less than 80% of his/her pre-disability earnings.

<u>Short-term disability benefits</u>: an income replacement benefit that commences upon the expiration of a seven (7) calendar-day waiting period and provides replacement income at either 100%, 80%, or 60% for defined periods of time based on an employee's length of service and for which the maximum benefit period is 125 workdays. If the disability/illness is deemed catastrophic, the employee would receive 100% or 80% income replacement and the waiting period would be waived. [Note: Employees hired, or re-hired, on 7/1/09 or later are not eligible for VSDP benefits for a non-occupational disability until they have completed one year of continuous state service.]

<u>Total disability</u>: exists during the first twenty-four (24) months following the occurrence or commencement of an illness or injury if an employee is unable to perform his/her normal job duties on a full-time basis; or after twenty-four (24) months following the occurrence or commencement of an illness or injury if an employee is unable to perform the main duties of any job for which he/she is reasonably qualified based on his/her training or experience and is earning less than 80% of his/her pre-disability earnings.

<u>ReedGroup</u>: the third-party administrator, also known as the case manager, designated by the Virginia Retirement System (VRS) to administer the daily operation of the Virginia Sickness and Disability Program and to handle employee absences for family and medical leave reasons.

<u>Virginia Sickness and Disability Program (VSDP)</u>: provides sick leave, family/personal leave, short-term disability benefits, and long-term disability and long-term care benefits to eligible full-time and part-time classified state employees, and full-time faculty members who have elected the VRS retirement plan and VSDP coverage.

<u>Waiting period</u>: seven (7) calendar days of medical absence from work that must be met before short-term disability benefits can begin and for which annual, compensatory, family/personal, sick, and overtime leave may be used.

III. Policy:

J. Sargeant Reynolds Community College (Reynolds) shall develop and implement administrative procedures consistent with all applicable personnel regulations and policies governing Virginia Sickness and Disability Program (VSDP) leave.

- A. Classified employee participation
 - 1. The college's Office of Human Resources shall ensure that all new classified employees and rehires hired after January 1, 1999, are enrolled in the VSDP program. The effective date of participation shall be their first day of employment.

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- 2. The college's Office of Human Resources shall ensure that classified employees transferring to the college from other state agencies shall maintain their current status as a participant or a non-participant of VSDP.
- B. Faculty employee participation

The college's Office of Human Resources shall ensure that all newly-hired faculty and classified staff moving to a faculty rank position are offered the following two (2) options within sixty (60) days of employment:

- Virginia Retirement System (VRS) Retirement Plan: With this election, the faculty member may elect coverage under the Virginia Sickness and Disability Program (VSDP), which shall govern the sick leave and disability benefits OR elect to participate in the Traditional Sick Leave Program/ReedGroup long-term disability program. (If the faculty member does not wish to enroll in the ReedGroup longterm disability program, then coverage shall default into VSDP.) Also, to complete this election decision, the faculty member shall be required to complete the <u>Form</u> <u>VSDP-2</u>, College and University Faculty Opt-Out, and submit to Reynolds Human Resources.
- 2. Optional Retirement System Plan (ORP): With this election, the faculty member shall be automatically enrolled in the Traditional Sick Leave Program, which shall govern the sick leave benefit. ORP election option does not provide disability coverage benefits.

The new faculty member shall be required to make his/her retirement plan selection within sixty (60) days of employment via their online myVRS account. The Office of Human Resources will verify this selection via the online myVRS Navigator.

- C. VSDP leave amounts
 - The college's Office of Human Resources shall credit hours of sick leave and hours of family/personal leave to newly hired employees based upon the employees' hire date and the New Full-Time/Rehire Table (Table 1) provided by <u>DHRM Policy No.</u> <u>4.57</u>. In subsequent years, leave shall be credited on January 10 according to the Current Full-Time Table (Table 2).

Employment Begin Date	Sick Leave Hours/Days	Family/Personal Leave Hours/Days
01/10 – 7/09	64 hrs. (8 days)	32 hrs. (4 days)
07/10 – 1/09	40 hrs. (5 days)	16 hrs. (2 days)

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2. The college's Office of Human Resources shall credit hours of sick leave and hours of family/personal leave, based on years of service, to all current college employees participating in VSDP on January 10 of each calendar year. The Current Full-Time

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Table (Table 2) provided by <u>DHRM Policy No. 4.57</u> shall be used to make this determination.

Months of	Sick Leave	Family/Personal	
State Service	Hours/Days	Leave Hours/Days	
Less than 60	64 hrs. (8 days)	32 hrs. (4 days)	
60 – 119	72 hrs. (9 days)	32 hrs. (4 days)	
120 or more	80 hrs. (10 days)	40 hrs. (5 days)	

Table 2. Current Full-Time Table

- 3. The college's Office of Human Resources shall ensure that all sick leave balances and family/personal leave balances for VSDP participants are removed at the end of the leave year (January 9) or upon an employee's separation from state employment. <u>DHRM Policy No. 4.57</u> prohibits the carryover of sick leave/family personal leave at the end of the leave year or payout of sick leave/family personal leave upon an employee's separation.
- 4. The college's Office of Human Resources shall ensure that employees receiving disability benefits on January 10 of any year shall be granted sick leave and family/personal leave on the date they return to active employment. The amount of leave shall be determined according to Table 2.
- D. Other general provisions
 - 1. The immediate supervisor is responsible for notifying the Office of Human Resources when the employee or faculty member has missed more than five (5) consecutive workdays.
 - 2. The college's Office of Human Resources shall ensure that newly-hired employees or state-transferred employees are provided with their VSDP leave balance within the first three (3) days of employment with the college. Subsequently, newly-hired and transferred employees may check their leave balances through the PeopleSoft HRMS system.
 - 3. Employees approved for short-term disability shall have their alternate work schedules reverted back to the standard five-day/40-hour schedule (i.e., Monday– Friday, eight [8] hours per day) to determine VSDP benefits.
 - 4. Employees on approved short-term disability may use the following leave to supplement VSDP benefits to receive 100% pay during periods of 80% or 60% disability: annual, compensatory, overtime, holiday, or family/personal leave on an hour for hour basis or partial hours.
 - 5. The college's Office of Human Resources shall ensure that VSDP participants continue to accrue annual leave up through ninety (90) consecutive calendar days of short-term disability absence. At the beginning of long-term disability, the Office

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of Human Resources shall authorize the college's Payroll Office to pay the VSDP participant for any annual leave balances.

- 6. Family and medical leave requests by VSDP participants shall be managed by ReedGroup and the college's Office of Human Resources (see <u>Reynolds Policy No.</u> <u>3-29</u>, Family and Medical Leave).
- 7. The college's Office of Human Resources shall ensure that the college continues to pay the employer portion of health insurance coverage for VSDP participants during periods of short-term disability. During the periods of short-term disability, the VSDP participant shall continue to pay the employee contribution of his/her health insurance premium.
- 8. Prior to the onset of long-term disability, the college's Office of Human Resources shall notify the VSDP participant that he/she may continue health insurance coverage if he/she incurs the full cost (employer portion and employee contribution), and provided that there is no interruption of coverage.
- 9. The college's Office of Human Resources shall ensure that basic group life insurance is continued for VSDP participants during periods of short-term disability and long-term disability. The college's Office of Human Resources shall notify the VSDP participant that he/she may continue optional life insurance as long as the employee continues to pay the premiums (with coverage ceasing at age 65).
- E. VSDP leave use
 - 1. Sick leave
 - a. Supervisors and the college's Office of Human Resources shall ensure that personal sick leave used by VSDP participants is used for reasons of personal illness, injury, and preventive, well-patient doctors' visits.
 - b. Supervisors and the college's Office of Human Resources shall ensure that sick leave used for qualifying family FMLA absences (parent, son/daughter or spouse) does not exceed 33% of the VSDP participants' credited sick leave amount.
 - c. For full-time nine-month and ten-month teaching faculty, sick leave (personal and family purposes) must be used in four-hour increments.
 - 2. Family/personal leave

Family/personal leave may be requested for use by VSDP participants only. The leave may be used for absences due to personal and family reasons, to attend a funeral, or for personal illnesses or injuries. However, the employee shall provide reasonable notice to his/her supervisor. The supervisor shall approve the leave unless agency work demands require the employee to work during the time

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requested. Additionally, full-time nine-month and ten-month teaching faculty must use family/personal leave in four-hour increments.

3. Short-term disability seven (7) calendar-day waiting period

During the first seven (7) calendar days of the disability period, the supervisor and the VSDP participant shall ensure that the appropriate leave request is recorded in the PeopleSoft HRMS system and notification is provided to the college's Office of Human Resources. Annual, compensatory, family/personal, sick, and overtime leave may be used during this waiting period.

- 4. Use of disability credits
 - a. Upon approval by ReedGroup of a VSDP participant's disability claim, the Office of Human Resources shall advise the VSDP participant of his/her option to use disability credits during the period of short-term disability (if applicable) to replace income at the 100% level. Should the employee elect to use disability credits, the Office of Human Resources will apply the credits via the HRMS absence management system.
 - All VSDP participants are required by <u>DHRM Policy No. 4.57</u> to use their disability credits at the commencement of the long-term disability period. The college's Office of Human Resources shall notify the VSDP participant of this requirement prior to the long-term disability period. The VSDP Long-Term Disability Notification shall be used for this purpose.
 - c. In instances of short-term disability and long-term disability, the college's Office of Human Resources shall notify the Payroll Office of the distribution of disability credits for the individual participants in accordance with established payroll deadlines. The VSDP Payroll Notification shall be used for this purpose.
- F. VSDP payment provisions

The college's Office of Human Resources shall ensure that the following payment provisions are coordinated accurately and timely with the appropriate internal and external organizational units.

1. Workers' compensation claims

VSDP participants who suffer work-related injuries and illnesses that are deemed eligible shall be provided primary benefits according to the terms of the Workers' Compensation Act (see Table 3). The VSDP short-term disability benefit is secondary.

Table 3. Creditable Compensation Replacement Levels Hired Before July 1, 2009

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	Months of	Work Days	Work Days	Work Days
INJURY	State Service	100%	80%	60%
ILLNESS:	Less than 60	65	25	35
WORK	60 – 119	85	25	15
RELATED	120 or more	85	40	0

Hired/Rehired On or After July 1, 2009

	Months of	Work Days	Work Days	Work Days
INJURY	State Service	100%	80%	60%
ILLNESS:	Less than 60	0	0	125
WORK	60 – 119	85	25	15
RELATED	120 or more	85	40	0

2. Non-work related disability claims

Sickness and disability payments shall be made during periods of total disability, partial disability, and maternity leave (see Table 4). Payments shall also be made during absences for major chronic conditions (as defined by VRS) after the participating employee has satisfied one seven (7) calendar-day waiting period per illness, as long as the employee is under the care of a licensed treating professional.

Table 4. Creditable Compensation Replacement Levels Hired Before July 1, 2009

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	Months of	Work Days	Work Days	Work Days
INJURY	Service	100%	80%	60%
ILLNESS:	Less than 60	5	20	100
NOT WORK	60 – 119	25	25	75
RELATED	120 – 179	25	50	50
	180 or more	25	75	25

Hired/Rehired On or After July 1, 2009

	Months of	Work Days	Work Days	Work Days
INJURY	Service	100%	80%	60%
ILLNESS:	0 – 12	0	0	0
NOT WORK	13 – 59	0	0	125
RELATED	60 – 119	25	25	75
	120 – 179	25	50	50
	180 or more	25	75	25

3. Successive periods of VSDP

For claims filed prior to 7/1/09, the college's Office of Human Resources shall ensure that an employee's disability, which is related or due to the same cause or causes as a prior VSDP claim for which benefits were paid, shall be considered a continuation of the prior disability when:

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- a. an employee returns to active employment for less than fourteen (14) consecutive calendar days after a non-chronic condition; or
- b. an employee returns to active employment for less than twenty-eight (28) consecutive calendar days after a major chronic condition as defined by VRS.

For claims filed after 7/1/09, the college's Office of Human Resources shall ensure that an employee released to return to his/her pre-disability position on a fulldutybasis who again becomes disabled due to the same condition will be considered to be in a continuation of the prior disability if the employee works fewer than 45 consecutive calendar days and the absence is related to the same major chronic ornon-major chronic condition.

4. Salary increases

The college's Office of Human Resources shall ensure that general salary increases are awarded to eligible VSDP-participating employees who are receiving short-term disability benefits. Salary increases are not awarded during long-term disability.

- IV. Procedures:
 - A. Employee notification
 - 1. The college's Office of Human Resources will provide every new hire, re-hire, and transfer employee with his/her respective credited leave balances within three (3) days of his/her hire date. The VSDP Credited Leave Balance form is to be used for this purpose.
 - 2. The college's Office of Human Resources will advise newly-hired and transferred employees to check their leave balances through the PeopleSoft HRMS system.
 - B. Human Resources benefits/leave administration
 - 1. After the close of business on January 9 (of each year), the Human Resources leave administrator will verify all existing leave balances for all VSDP participants.
 - 2. On January 10 (of each year), the Human Resources leave administrator will verify each VSDP participant's leave hours in accordance with their years of service. Employees who are receiving disability benefits on January 10 will be credited with their appropriate leave amounts when they return to active employment.
 - 3. At the onset of a disability claim, the Human Resources senior benefits specialist will establish a VSDP Action Log in the employee's official personnel file. The senior benefits specialist will use this log to record all official actions taken by the

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college's Office of Human Resources in regard to the participant's disability claim. If ReedGroup has not been contacted, the senior benefits specialist will fax a written memorandum to ReedGroup notifying them of a disability claim.

- 4. Upon verification from ReedGroup regarding approval of an employee's short-term disability claim, the senior benefits specialist will send a VSDP Short-Term Disability Notification to the employee (with a copy to the employees' supervisor) informing the employee of policy matters and/or decisions required of the employee by Human Resources related to annual leave, family and medical leave, health insurance coverage, basic group life insurance, optional life insurance, seven (7) calendar-day waiting period, use of disability credits, workers' compensation claims, income replacement levels, and other special requirements.
- 5. The senior benefits specialist will continue to correspond with the VSDP participant and/or the participant's supervisor, in writing, in order to request additional information as needed by the Office of Human Resources or ReedGroup.
- 6. Upon receipt from the employee of any information related to the VSDP Short-Term Disability Notification, the senior benefits specialist will complete the VSDP Payroll Notification and submit to the Payroll Office in accordance with established deadlines.
- 7. The Human Resources leave administrator will review the leave record of the VSDP participant on the 90th consecutive calendar day of the short-term disability period to ensure annual leave is not accrued after that time. If the VSDP participant's disability claim is approved for long-term disability benefits, the leave administrator will authorize the college's Payroll Office to pay any unused annual leave balances to the VSDP participant via the VSDP Payroll Notification.
- 8. Upon approval of the VSDP participant's long-term disability claim, the senior benefits specialist will notify the participant via the VSDP Long-Term Disability Notification regarding policy matters and/or decisions required of the employee that would affect their employment.
- 9. All documents and written communications related to the VSDP participant's disability claim will be filed in the employee's official personnel file and the employee's leave file (located in the Office of Human Resources).

V. Other Information:

The Office of Human Resources is responsible for the official interpretation of this policy and procedures. Questions regarding the application of this policy and procedures should be directed to that office.

Form VSDP-2, College and University Faculty Opt-Out

VCCS Policy No. 3.9, Faculty Leave

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DHRM Policy No. 4.57, Virginia Sickness and Disability Program

Reynolds Policy No. 3-29, Family and Medical Leave