

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact §§ 51.1-1150, 51.1-1153, 51.1-1161, and 51.1-1169 of the Code of Virginia,*
 3 *relating to Virginia Retirement System; disability benefits; emergency dispatchers.*

4 [H 1705]

5 Approved

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

7 **1. That §§ 51.1-1150, 51.1-1153, 51.1-1161, and 51.1-1169 of the Code of Virginia are amended and**
 8 **reenacted as follows:**

9 **§ 51.1-1150. Definitions.**

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

11 "Act" means the Virginia Workers' Compensation Act (§ 65.2-100 et seq.).

12 "Company" means an insurance company issuing a long-term disability insurance policy purchased by the
 13 Board pursuant to this chapter.

14 "Continuous service" means an uninterrupted period of service as a participating employee with the same
 15 employer.

16 "Disability" means a partial disability or total disability.

17 "Disability benefit" means income replacement payments payable to a participating employee under a
 18 short-term or long-term disability benefit program pursuant to this chapter. Disability benefits do not include
 19 benefits payable under the Act.

20 "Eligible employee" means a person who is (i) not eligible for the disability program pursuant to Chapter
 21 11 (§ 51.1-1100 et seq.) and (ii) participating in the hybrid retirement program described in § 51.1-169.
 22 "Eligible employee" also includes an eligible dispatcher.

23 "Eligible dispatcher" means a person who (i) is employed by a locality participating in the retirement
 24 system pursuant to Article 5 (§ 51.1-130 et seq.) of Chapter 1 as a full-time salaried dispatcher for a public
 25 safety answering point as defined in § 56-484.12 and (ii) is not participating in the hybrid retirement
 26 program described in § 51.1-169.

27 "Partial disability" means a disability that exists during the first 24 months following the occurrence or
 28 commencement of an illness or injury when an employee is earning less than 80 percent of his predisability
 29 earnings and, as a result of an injury or illness, is (i) able to perform one or more, but not all, of the essential
 30 job functions of his own job on an active employment or a part-time basis; or (ii) able to perform all of the
 31 essential job functions of his own job only on a part-time basis.

32 "Participating employee" means any eligible employee required to participate in the program.

33 "Program" means the program providing short-term disability and long-term disability benefits for
 34 participating employees established pursuant to this chapter.

35 "Service" means a period of service as a participating employee.

36 "Total disability" means a disability that exists (i) during the first 24 months following the occurrence or
 37 commencement of an illness or injury if an employee is unable to perform all of his essential job functions or
 38 (ii) after 24 months following the occurrence or commencement of an illness or injury if an employee is
 39 unable to perform any job for which he is reasonably qualified based on his training or experience and
 40 earning less than 80 percent of his predisability earnings.

41 "Work-related injury" means an injury, as such term is defined in § 65.2-101, to a participating employee
 42 for which benefits are payable under the Act and the employer for purposes of the Act is the Commonwealth
 43 or other political subdivision through which the participating employee became eligible for the program.

44 In addition to the definitions listed in this section, the definitions listed in § 51.1-124.3 shall, as the
 45 context requires, apply to this chapter except as otherwise provided.

46 **§ 51.1-1153. Participation in the program.**

47 A. 1. All eligible employees shall become participants in this program, provided, however, that the
 48 governing body of an employer may adopt a resolution on or before January 1, 2014, which shall be
 49 submitted to the Board, requesting that its eligible employees not participate in the program because the
 50 employer has or will establish, and continue to maintain, comparable disability coverage for such eligible
 51 employees. The election by the governing body of an employer not to participate in this program shall be
 52 irrevocable. The employer need not consider the provisions of § 51.1-1178 when determining the
 53 comparability of its disability coverage to this program. As the context requires, the term "participating
 54 employee" includes the employees of an employer electing not to participate in the program under this
 55 subdivision.

56 2. Beginning July 1, 2026, eligible dispatchers shall become participants in the program. Such

57 participation shall be subject to the limitations described in § 51.1-1179, and the locality employing such
 58 eligible dispatchers shall provide the costs required for funding participation in the program pursuant to §
 59 51.1-1183. However, if a locality made an irrevocable election not to participate in the program pursuant to
 60 subdivision 1, such dispatchers shall not become participants in the program but shall become participants in
 61 the comparable disability coverage established and maintained by the locality. An eligible dispatcher who is
 62 a participant in the program or in the disability coverage provided by a locality electing not to participate in
 63 the program shall not be eligible for disability retirement benefits pursuant to § 51.1-156.

64 3. Notwithstanding the provisions of subdivision 2, an eligible dispatcher shall not become a participant
 65 in the program or in the disability coverage provided by a locality electing not to participate in the program
 66 but shall remain subject to the provisions governing disability retirement if the eligible dispatcher was (i)
 67 awarded disability retirement benefits pursuant to § 51.1-156 prior to July 1, 2026, and continued to receive
 68 such disability retirement benefits on or after July 1, 2026, or (ii) employed on June 30, 2025, and on July 1,
 69 2025, and made an irrevocable election no later than March 31, 2026, to remain covered by disability
 70 retirement benefits pursuant to § 51.1-156. If an election is not made by March 31, 2026, such eligible
 71 dispatcher shall be deemed to have elected to become a participant in the program or in the comparable
 72 disability coverage provided by the locality.

73 B. The effective date of participation in the program for participating employees shall be their first day of
 74 employment or the effective date of their participation in the hybrid retirement program described in §
 75 51.1-169, whichever is later. *The effective date of participation for eligible dispatchers shall be July 1, 2026,*
 76 *or their first date of employment, whichever is later.*

77 C. Notwithstanding any provision to the contrary, no participating employee shall receive benefits under
 78 Article 2 (§ 51.1-1154 et seq.) until the participating employee completes one year of continuous service.

79 D. Eligibility for participation in the program shall terminate upon the earliest to occur of an employee's
 80 (i) termination of employment or (ii) death. Eligibility for participation in the program shall be suspended
 81 during periods that an employee is placed on nonpay status, including leave without pay, if such nonpay
 82 status is due to suspension pending investigation or outcome of employment-related court or disciplinary
 83 action.

84 **§ 51.1-1161. Cessation of disability benefits; service retirement.**

85 A. Disability benefits shall cease to be paid to a participating employee upon the first to occur of the
 86 following:

87 1. The end of the period of disability coverage as provided in subsection D of § 51.1-1155 or subsection D
 88 of § 51.1-1157;

89 2. The date of death of the participating employee;

90 3. The date that the participating employee attains normal retirement age; or

91 4. The effective date of the participating full-time employee's service retirement under the hybrid
 92 retirement program described in § 51.1-169 *or, in the case of an eligible dispatcher, the effective date of the*
 93 *eligible dispatcher's service retirement under any provision of this title.*

94 Notwithstanding the foregoing, an employee who is approved for disability benefits (i) at age 60 through
 95 64 shall be eligible for five years of disability benefits, (ii) at age 65 through 68 shall be eligible for disability
 96 benefits to age 70, and (iii) at age 69 or older shall be eligible for disability benefits for one year. The
 97 eligibility periods include short-term disability and long-term disability.

98 B. A participating full-time employee receiving disability benefits who is a vested member of the
 99 retirement system, including the hybrid retirement program described in § 51.1-169, shall be eligible for
 100 service retirement under any provision of this title for which the employee is otherwise eligible. Such
 101 employee shall be authorized to elect any option for the payment of his retirement allowance provided under
 102 subsection A of § 51.1-165 for which the employee is otherwise eligible.

103 C. The average final compensation of any participating full-time employee taking a service retirement
 104 under any provision of this title shall be equal to his creditable compensation on the date of the
 105 commencement of the disability increased by an amount recommended by the program actuary and approved
 106 by the Board, from the date of the commencement of the disability to the date of retirement.

107 D. The creditable service of a participating full-time employee taking service retirement pursuant to this
 108 section shall include periods during which the employee received disability benefits.

109 **§ 51.1-1169. Cessation of supplemental disability benefits; service retirement.**

110 A. Supplemental disability benefits shall cease to be paid to a participating employee upon the first to
 111 occur of the following:

112 1. The end of the period of supplemental disability coverage as provided in subsection E of § 51.1-1163 or
 113 subsection E of § 51.1-1165;

114 2. The date of death of the participating employee;

115 3. On the date the employee attains normal retirement age; or

116 4. The effective date of the participating full-time employee's service retirement under the hybrid
 117 retirement program described in § 51.1-169 *or, in the case of an eligible dispatcher, the effective date of the*
 118 *eligible dispatcher's service retirement under any provision of this title.*

119 Notwithstanding the foregoing, an employee who is approved for supplemental disability benefits (i) at
120 age 60 through 64 shall be eligible for five years of supplemental disability benefits, (ii) at age 65 through 68
121 shall be eligible for supplemental disability benefits to age 70, and (iii) at age 69 or older shall be eligible for
122 supplemental disability benefits for one year. The eligibility periods include supplemental short-term
123 disability and supplemental long-term disability.

124 B. Upon the cessation of benefits payable under the Act, a participating full-time employee may take
125 service retirement under any provision of this title for which the employee is otherwise eligible, including the
126 hybrid retirement program described in § 51.1-169. Such employee shall be authorized to elect any option for
127 the payment of his retirement allowance provided under subsection A of § 51.1-165.

128 C. The employee's average final compensation shall be equal to his creditable compensation on the date of
129 the commencement of the disability increased by an amount recommended by the actuary of the Virginia
130 Retirement System, and approved by the Board, from the date of the commencement of the disability to the
131 date of retirement.

132 D. The creditable service of a participating full-time employee taking service retirement pursuant to this
133 section shall include periods during which the employee received supplemental disability benefits, provided
134 that such creditable service shall not include periods for which (i) the employee received supplemental short-
135 term disability benefits, (ii) the employer did not report such creditable service to the retirement system, and
136 (iii) the employee did not purchase such creditable service.