



## ADMINISTRATIVE REGULATION

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Effective Date: November 9, 1989

Administrative Regulation: 1-3

Revision Date: March 21, 2017

Supersedes: July 1, 2015

Approved By: William Ashton, Acting Town Manager

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Subject: **Short and Long Term Disability Policy**

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### I. Purpose

The purpose of this Administrative Regulation is to mitigate the financial impact on regular status employees who are disabled due to a non-work related serious illness or injury. In addition, Virginia Retirement System (VRS) Hybrid Plan employee participants may be eligible for benefits due to a non-work related or work-related serious illness or injury.

### II. Policy

- A. A short and long term disability program is provided by the town to all full and part time regular employees who receive full or pro-rated benefits.
  - B. Benefit coverage of these programs goes into effect in accordance with the current contract with the benefit provider.
  - C. Short Term Disability
    1. Once an employee receives approval of coverage, he/she may remain on the program as long as approved by the benefit provider in accordance with the contract requirements.
    2. While on short term disability, annual and sick leave will not be earned during a leave without pay period that exceeds one full pay period.
    3. Disability payments will be supplemented with accrued leave or leave granted, through a leave donation program, and in accordance with the benefit provider's contract requirements, as applicable. If elected, the employee's normal benefit premiums may be deducted and maintained through this process.
    4. Benefits while on short term disability and during periods of leave without pay:
      - Health Insurance – the employee will maintain health insurance
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coverage by paying monthly health insurance premiums.

- During designated Family and Medical Leave (FML) (see Administrative Regulation 1-25), the town will continue to pay the monthly employer share of health insurance premium and the employee will be responsible for continuing to pay the employee share to maintain coverage.
  - At the conclusion of the FML entitlement or if the employee is not eligible for FML, the employee must pay the full employer group rate (rather than the employee rate) for health insurance, to maintain coverage.
  - The employee is responsible for full premium payments of other benefits to maintain coverage and must notify the Department of Human Resources of their intent to do so.
  - The employee will be billed by the Department of Finance for benefit premiums the employee elects to maintain and payment will be due as indicated on the bill. There will be a 15 day grace period for late payment; no or partial payment may result in retroactively canceled coverage.
5. When an employee is on short term disability, the appropriate department head will evaluate the status of the vacant position. The department head must determine how long the position can be vacant, considering the following factors:
- the need for fulfilling the position on a temporary basis with another individual
  - the availability of a suitable temporary replacement
  - the skills required to satisfactorily complete the work
  - the length of time it is anticipated that the position will be vacant
  - the level of responsibility assigned to the position
  - the best interest of the town organization and the community

If the department head determines that the position cannot remain vacant for more than twelve weeks (or the conclusion of the employee's FML entitlement) whichever first occurs, with temporary assistance in the interim, the Town Manager may advertise and fill the position. In that case, the disabled employee can be considered for reemployment when a suitable vacancy within the town becomes available.

### D. Long Term Disability

1. This coverage goes into effect in accordance with the current contract.
  2. An employee who is on long term disability may be terminated without prejudice
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and receives a monthly benefit in accordance with the then current contract between the town and the insurer.

Upon termination, health insurance may be continued.

3. An employee on long term disability shall be advised of other disability benefits for which to apply.

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William Ashton  
Acting Town Manager