# Town of Windsor

## Memorandum

October 8, 2013

**TO:**       The Honorable Mayor and Town Council

**FROM:**     Michael Stallings, Town Manager *M S*

**SUBJECT:**  Virginia Local Disability Program

Legislation adopted by the General Assembly has created the Virginia Local Disability Program (VLDP).  The VLDP provides long and short term disability insurance for employees that are covered by the new hybrid VRS retirement plan.

The legislation provides the option to opt-out of the VLDP and provide comparable coverage. As such, the Virginia Municipal League Insurance Programs (VMLIP) and Standard Insurance Company (working with VACO) are offering coverage that satisfies the comparable coverage requirement.

The decision to opt-out or stay in is irrevocable.  Once you opt-out, you do have the ability to switch providers as long as you continue to provide the comparable coverage.  This allows us to change providers at a later date if we so chose.

I have determined that is in our best interest to opt-out of the VRS provided VLDP and to provide this coverage through either VMLIP or Standard.  I am currently reviewing both proposals and will have a recommendation prepared for Council prior to the Tuesday night Council Meeting.

I recommend that Council adopt the enclosed resolution to opt-out of the VLDP.

**Recommended Motion**

Move that Council adopt the resolution entitled:

*A Resolution of Irrevocable Election Not to Participate in*
*Virginia Local Disability Program*

# RESOLUTION

## Irrevocable Election Not to Participate in Virginia Local Disability Program

WHEREAS, by enacting Chapter 11.1 of Title 51.1 of the *Code of Virginia*, the Virginia General Assembly has established the Virginia Local Disability Program ("VLDP") for the payment of short-term and long-term disability benefits for certain participants in the hybrid retirement program described in Virginia Code § 51.1-169; and

WHEREAS, for purposes of VLDP administration, an employer with VLDP-eligible employees may make an irrevocable election on or before November 1, 2013, requesting that its eligible employees not participate in VLDP as of the VLDP effective date of January 1, 2014, because it has or will establish, and continue to maintain, comparable employer-paid disability coverage for such employees that meets or exceeds the coverage set out in Chapter 11.1 of Title 51.1 of the *Code of Virginia*, with the exception of long term care coverage, by January 1, 2014; and

WHEREAS, it is the intent of_____Town of Windsor, Virginia_____ _____, to make this irrevocable election to request that its eligible employees not participate in VLDP;

NOW, THEREFORE, IT IS HEREBY RESOLVED that _____Town of Windsor, Virginia_____irrevocably elects not to participate in VLDP because it has or will establish, and continue to maintain, comparable employer-paid disability coverage for such employees; and it is further

RESOLVED that, as an integral part of making this irrevocable election, _____Town of Windsor, Virginia_____ certifies that it has or will establish, and continue to maintain, comparable employer-paid disability coverage for such employees.

Adopted in_____Windsor_____, Virginia this ___8___day of_____October_____, 2013.


_____          _____
Authorized Signature                                           Title