

During your career, you might take a leave of absence from your public position covered by PERA. Unpaid leaves may affect your future monthly benefit amount. By purchasing the leave period, you will make contributions whole with PERA, as if you were never on a leave, and restore service or salary lost during your leave. This could result in a larger benefit from PERA.

## WHAT LEAVES ARE COVERED?

- » Authorized leave (medical, parental, personal)
- » Workers' compensation leave
- » Employer-sponsored leave (budgetary, periodic, special leave program)

## HOW MUCH DOES IT COST?

The purchase amount is found on your Leave Purchase Payment Form. In most situations, the amount is the cost of missing member and employer contributions from the leave period, plus applicable interest. Interest will accrue up until the leave is paid.

Note: Your employer may elect to pay the employer portion for you, but they are NOT required to do so. If they elect to pay the employer portion, it is your responsibility to coordinate the purchase payment with your employer. **Both the member portion and the employer portion must be sent to PERA together.**

## WHEN DO I NEED TO MAKE THE PURCHASE?

The payment must be received by PERA one year from the end of the reporting period.

**Example 1:** Your leave occurred in September 2023. The reporting period is January 1, 2023, through December 31, 2023.

You will have until December 31, 2024 to make the purchase.

**Example 2:** You work at a school and your leave occurred in December 2023. The reporting period is July 1, 2023, through June 30, 2024.

You will have until June 30, 2025 to make the purchase.

## WHAT IF I TERMINATE BEFORE PERA RECEIVES THE REPORT?

Your employer will provide your leave information on the next annual report. You will have the same payment timeline as an active member to purchase the leave.

## WHAT'S THE PROCESS?

### Step 1. Your employer sends PERA a leave report.

Each year, your employer sends a leave report that includes when you were on leave, hours missed, your rate of pay, and the type of leave.

The reporting period depends on whether or not you work in a school:

- » School employers will provide a report in July for leaves that occurred in the previous school year, from July 1 through June 30.
- » All other employers will provide a report in January for all leaves in the previous calendar year, January 1 through December 31.

### Step 2. We send you the leave purchase information.

If you have a leave reported to PERA under this process, we'll automatically send you a benefit estimate with purchase information about 6-8 weeks after we receive the report.

### Step 3. You decide if you want to make the purchase.

The leave purchase is optional, but may result in a larger monthly benefit when you retire.

The benefit estimates sent to you will include the cost of the purchase and the current impact to your monthly pension, which may help with this decision.

If you decide to make the purchase, send the completed Leave Purchase Payment Form to PERA, along with the payment. You can send PERA a personal check, roll over funds from a tax-qualified plan, or a combination of both.



### DIDN'T RECEIVE THE LEAVE LETTER?

If you were on a leave and did not receive leave purchase information from us, you must contact your employer directly to report the leave. PERA cannot accept leave requests from anyone other than the employer on their annual report.

## WILL THE PURCHASE INCREASE MY PERA BENEFIT?

It depends. We use three factors to determine your monthly benefit: service, age, and salary. Service and salary may be affected by your leave and purchasing the leave could increase your benefit amount.

### If I Purchase Service? Yes.

The more service credit you earn, the higher the percentage of your highest average salary you will receive as your monthly benefit. The benefit estimate with leave purchase information mailed to you will indicate if your leave includes any service credits in the purchase. When you purchase service, you are automatically purchasing salary associated with that month.

### If I Purchase Partial Salary?

If you're only missing partial salary during the leave (not service), then it depends on if the purchase falls in the range of your highest average salary. The benefit estimate with leave purchase information mailed to you will indicate if your CURRENT highest average salary increases. However, keep in mind that your highest average salary may continue to change:

If you plan to continue working after you return from your leave and earn a higher salary, then the purchase may not increase your PERA benefit as the leave purchase may not stay in your highest average salary.

If you terminate, retire, or go on disability shortly after your leave, and the leave stays within your highest average salary, then the purchase likely will increase your PERA benefit.

## Q&A

### Can I purchase a portion of my leave?

No – you must purchase the entire amount.

### If I apply for PERA disability, can I still make the leave purchase?

Yes. You will have the same payment timeline as an active member to purchase the leave. Your leave purchase may impact the start date of your disability benefit.

### Are any of these considered leaves?

- » Military? Yes, please see our Military Leave Purchase publication for more information on this type of leave.
- » Layoffs? No, layoffs are not considered leaves and not eligible for purchase.
- » Furloughs? Yes, this is a generic leave term and some employers use this to describe employer-sponsored leaves.

### What if my purchase period expired?

We are unable to accept payment after the authorized purchase period.



We are here to help. If you have any additional questions about leave purchases, please contact a PERA Service Representative or email us at [benefits@mnpera.org](mailto:benefits@mnpera.org). You can also find more information on our Member Purchases page on [mnpera.org](https://mnpera.org).

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