

COVID-19 Q&A FOR PERA EMPLOYERS

Last updated 7/27/2020

- 1. Will PERA contributions be temporarily suspended due to COVID-19?**

No. State law requires PERA contributions for employees who receive PERA-eligible salary. Employers may not stop withholding required contributions without a statutory change by the legislature. At present, no contribution changes are under consideration by the legislature.
- 2. Is hazard pay subject to PERA contribution withholding?**

Yes. Hazard pay is eligible salary, similar to other wage supplements such as shift differential and overtime premiums.
- 3. Should employers deduct PERA from COVID-19 paid sick leave provided by federal law?**

Yes. COVID-19 paid sick leave pay is considered the same as sick time, paid-time-off (PTO) or vacation pay, which is PERA-eligible when used to replace scheduled hours.
- 4. Should employers stop PERA withholding if the federal COVID-19 paid sick leave's daily cap on 2/3 of regular pay results in the employee receiving less than 50% of their regular earnings?**

No. Employers should treat COVID-19 paid sick leave as PERA-eligible salary and withhold contributions when paid. In this instance, it is compensation equal to the value of the employee's total available accrued leave hours which is PERA-eligible under MS 353.01 Subd. 10 (a)(5)(ii).
- 5. How should employers report COVID-related absences or reductions in pay? ****

Report all COVID-related absences or salary reductions as a Personal Leave. Continue to submit contributions for any hours worked or covered by PERA-eligible salary such as COVID-19 paid sick leave, regular sick time, paid-time-off (PTO) or vacation pay.
- 6. After an absence or salary reduction ends, do they have an option to restore any missed PERA salary or service credit?**

Yes. Employees may purchase missed salary and service credit by filing a Leave Verification form after the period of leave ends. The employee will receive a letter explaining this option once you report their return in ERIS. The employee may also contact PERA Member Services directly by calling 651-296-7460.
- 7. What if the employee terminates and does not return from Personal Leave?**

If the absence was reported as a leave, the former employee has thirty days from the termination date to submit a completed Leave Verification form to PERA and make the purchase.
- 8. How should employers notify PERA if an employee is laid off due to COVID-19? ****

Report an authorized temporary Layoff by either uploading a demographic record or entering the employee's employment status change in ERIS.
- 9. Once an employee returns to work after a Layoff, do they have an option to restore their missed salary and service credit?**

No. The option to purchase salary or service credit is not available to employees returning from a Layoff status. However, the employee may receive up to three (3) months of service credit for a layoff period of missed service once they return to public employment.
- 10. If an employee holds multiple positions with the same employer and is laid off from only one of them, should the layoff status be reported?**

No. An individual who is laid off from one position while continuing to work in a second role should not be reported under Layoff status since they are still actively working and will not miss any service credit.
- 11. Can an employee apply for a refund or retirement benefit while in a Leave or Layoff status?**

No. To receive a retirement benefit or refund of contributions, the employee must first formally terminate their employment. If the employee is applying for a retirement benefit, we must also receive a completed Verification of Termination form.
- 12. What does PERA consider a furlough?**

"Furlough" is a term commonly used to describe PERA's budgetary leave or salary savings program. To register a program, submit a completed Leave Program Certification form to PERA. Furlough reporting is completed annually. For calendar year 2020, reporting will be done after 12/31/2020 and interest accrual begins 1/1/2021. Further details are available in Chapter 6 of the Employer Manual.

** Please note the difference in salary and service credit options for Personal Leaves and Layoffs.