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.