



# PERA PHRASE

[mnpera.org](http://mnpera.org)

Employer Newsletter of the Public Employees Retirement Association

Over 3,500 Employers  
166,000 Active Members

SPRING 2022



## Leave Report Update

Starting in January, we updated the process on how we collect employee leave of absence data. A legislative change was enacted to shift the reporting of leave statuses to an annual basis rather than during the pay period in which they occurred. This was intended to standardize the leave reporting process.

Employers with one or more PERA members must complete a Leave Report listing all authorized leaves that occurred in the reporting year and resulted in any unpaid or unreported salary. A response is required from every employer. If none of your employees had an authorized leave of absence during the reporting year, simply confirm this in ERIS.

### Purpose of the Leave Report

Your leave report provides PERA with unpaid or unreported salary data during the leave period. We are then able to give the employee the option to purchase these missing contributions to restore their salary and service during the leave period.

### Deadline for the Leave Report

Calendar year 2021 reports were due from local government employers by January 31, 2022. If you have not yet completed the report, please do so immediately.

School reports for fiscal year 2022 will be due by July 31, 2022. We encourage you or your service bureau to test your file format in advance.

### SPECIAL NOTES:

#### Unpaid/unreported versus leave hours

PERA only needs to know the number of missed hours related to unpaid or unreported salary during a member's leave of absence. When an employee receives pay during a leave that is not eligible for PERA contributions, such as short-term disability, that salary is considered unreported. For example, let's say a member was out on leave for a total of four weeks (160 hours) and received only short-term disability payments during that time. You would report all 160 hours as missed for that leave period because no deductions were paid into PERA for this time, even though 2/3 of

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### ISSUE HIGHLIGHTS



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*Administer and promote sustainable retirement plans and provide services that our members value.*

# 2022 Legislative Update

During the October and December board meetings, PERA Trustees approved three main items for the 2022 legislative agenda:

- **Investment Return Assumption.** Lowers assumed rate of return within the range recommended by our actuary.
- **Privatization.** Assesses a withdrawal liability to future privatizing entities. (carryover 2021 agenda item)
- **Police and Fire Disability Benefits.** Addresses the inconsistent treatment of members over 55 with less than 20 years of service. (carryover 2021 agenda item)

The 2022 legislative session began on January 31st. The Legislative Commission on Pensions and Retirement (LCPR) heard testimony from each of the state-wide funds on their proposed agendas. The State Board of Investment, MMB, and various other stakeholder groups provided testimony and additional proposals for the Commission to review. A wide range of ideas and opinions have been shared, and PERA is monitoring proposed legislation as it continues to be discussed with the LCPR.

The Legislature passed legislation that extends the phased retirement and earnings restriction exceptions for health care workers. These individuals are not subject to reduction or suspension of retirement



benefits. The legislation extended this law by an additional two years.

The session is expected to end in May. Currently, many proposed items are still being discussed and outcomes are uncertain. In our next newsletter, we will provide detailed information regarding what proposals are passed by the Legislature.

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the employee's regular wages were replaced. See Employer Manual Chapter 5 for more information about which types of earnings are eligible for PERA contributions.

### Why are some employees pre-populated in the Leave Report?

Any leave statuses reported in ERIS throughout the year are pre-populated on your Leave Report. If the member's missed hours were fully covered by sick or vacation time, there are no missing contributions for the employee to purchase. Please email us to remove the employee from your report.

### Some of my employees have terminated – can they still make the purchase?

Employees have six months from their termination date to purchase a leave. However, due to PERA's implementation delays, this year we are extending the time to purchase for terminated employees. If an employee had a leave during the current reporting year and later terminated, please still report their leave information on the Annual Report.

The next phase of the leave reporting process will include a way for you to provide PERA leave information immediately after a

member terminates employment. This will allow employees the option to purchase the leave before the payment timeline expires.

### When will the employee receive the purchase information?

Generally, the employee will receive the leave purchase letter 6-8 weeks from receipt of your Leave Report. We have processed a large portion of the reported leaves. However, as this process is also new to PERA, we are experiencing some delays. We are prioritizing resources to have the remaining unprocessed leaves sent out as soon as possible.

### Helpful Resources

For more information on Leave Reports, visit the [Employer Programs](#) page of our website. Resources include:

- Pre-recorded webinar available to view on-demand
- Newly updated Annual Leave Q&A
- Employer Manual Chapter 9 Supplement - Annual Leave Reporting

Should you have additional questions, please email [employer.reps@mnpera.org](mailto:employer.reps@mnpera.org).

# Upcoming Education Programs

Did you know that PERA offers a full calendar of webinars for both employer and member education?

Whether you're an employer looking to learn more about PERA's membership and reporting requirements, or a member interested in learning about your benefits at PERA, we have a session designed specifically for you!

## FOR MEMBERS:

### Ready to Retire

Ready to Retire is an educational option for PERA members who plan to retire within one year. The program covers the retirement and application process step-by-step and sets the stage for using PERA's online tools now and after retirement.

#### Upcoming Dates:

- Wednesday, May 11 – 5:00 pm
- Friday, May 13 – 10:00 am
- Saturday, May 21 – 9:00 am

### From Hire to Retire

From Hire to Retire is designed for all members and covers the PERA pension in detail, including benefit options, life events that can affect their pension, and self-service tools.

#### Upcoming Dates:

- Wednesday, April 27 – 5:00 pm
- Tuesday, May 3 – 10:00 am
- Tuesday, May 17 – 10:00 am

### Defined Contribution Plan

This educational program is intended for eligible participants of PERA's Defined Contribution Plan (DCP), including physicians, elected local governmental officials, city managers, and ambulance service personnel. The plan is discussed in detail, including how the plan works, the enrollment process, investment options, and withdrawal guidelines

#### Upcoming Dates:

- Monday, July 25 – 10:00 am

## FOR EMPLOYERS:

### New Reporting Leaves Process

This training covers the legislative updates to the leave reporting process, how to format the Annual Leave Report, and it will walk you through the two reporting methods available on ERIS.

#### Upcoming Dates:

- This webinar is available any time, on-demand.

### Welcome Employer – PERA Reporting Training

Welcome Employer covers how to use the Employer Reporting and Information System (ERIS) to enroll members, update member data, submit contribution data, and more. This program is recommended for payroll, HR, and business managers that are new to PERA Reporting.

#### Upcoming Dates:

- Thursday, April 28 – 11:00 am
- Thursday, July 28 – 11:00 am
- Thursday, October 27 – 11:00 am

PERA is continually adding more programs to our events calendar. Visit [mnpera.org/education](http://mnpera.org/education) to learn more and register today!

## EMPLOYER MANUAL FEEDBACK

Attention, employers! We are in the process of revamping the Employer Manual to make it more comprehensive and user-friendly. We would love to hear about your experience using the manual and any suggestions you may have to improve it.

Some questions we would like you to consider:

- What is your overall experience with the Employer Manual?
- What are you hoping to see from a new version of the Employer Manual?
- Are there any areas in which instructions or explanations could use more clarity?
- Have you had trouble finding information on or navigating certain topics?

Please send any feedback you have to [employer.reps@mnpera.org](mailto:employer.reps@mnpera.org). Your experience is important to us, and we look forward to hearing your suggestions.





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## Ask PERA!

Have a question for PERA? We'd love to hear from you!  
[employer.reps@mnpera.org](mailto:employer.reps@mnpera.org) | 651.296.3636 | 888.892.7372 | [mnpera.org](http://mnpera.org)

### Should PERA contributions be withheld from bonus payments?

An increasing number of employers are rewarding employees for their continued service. These payments are often related to COVID and may be called a bonus, settlement, stipend, incentive, retention, longevity, or hazard pay.

Eligible salary for PERA contributions is determined by Minn. Stat. §353.01 Subd. 10 and discussed in Chapter 5 of PERA's Employer Manual. These resources predate the pandemic, but the overall concepts apply and provide guidance for each situation.

Examples of common payment types:

#### ELIGIBLE

- Performance or Merit Bonuses per written agreement and paid for attaining performance goals, duties, or measures over a specified earnings period
- Longevity or Retention pay paid as routine wages on periodic basis of at least annually, and is attached to a specific earnings period.
- Hazard Pay or other arrangements which increase a member's future or retroactive hourly rate of pay.

#### INELIGIBLE

- A bonus payment that is not performance or merit pay, including but not limited to:
  - Service awards made on a one-time basis
  - One-time longevity or retention pay
  - Compensation given as an incentive or recognition, such as sick leave preservation or vaccination status
  - Referral or signing bonuses
- Any form of retirement incentive payments