

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. You may purchase the missing employee and employer contributions plus interest to restore service or salary lost during your leave, which could result in a larger benefit.

## WHAT LEAVES ARE COVERED?

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

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

Your employer is required to notify PERA of your prior year leave(s) at the time you terminate. We will send you purchase information 6-8 weeks after we receive your leave information. You will then have six months from your termination date to make the optional purchase.

## 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, plus applicable interest, from the leave period. 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 obligated 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, unless an exception applies.



**Example 1:** Your leave occurred in September 2021. The reporting period is January 1, 2021, through December 31, 2021. You will have until December 31, 2022 to make the purchase.

**Example 2:** Your leave occurred in January 2022, and you work at a school. The reporting period is July 1, 2021, through June 30, 2022. You will have until June 30, 2023 to make the purchase.

## 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.



### Exception:

You have only six months to make the purchase if you terminate public service. If you start collecting your retirement benefit, you still can make the purchase, as long as PERA receives your payment within six months from your termination date.

## 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 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?

The only leave type that you may purchase after your occurrence of disability is a workers' compensation leave. All other leaves are not eligible. Please note that you have six months from your disability first payment to make the workers' compensation leave purchase.

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

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