Leave Reporting Knowledge Café

PERA prohibits recording and distribution of this presentation.

Agenda

- Intro to Leave Reporting
- Ineligible Vs Eligible Pay
- Adjustments for Retro PFML Pay
- Q&A Session

Annual Leave Report

- Required from **all employers**—even if no employees took leave
  - Mark a box to report if there were no leaves
- Manual entry or file upload in ERIS
- List both active and terminated employees
- Only list hours that contributions were missed based on the regular average salary
- Do not report leaves that are fully paid by use of sick, vacation or other paid time off

Why is Leave Reporting Important?

- PERA uses data from the *Annual Leave Report* to create cost estimates for members
- Provides opportunity to make the member whole as if no leave occurred
- Timely reporting is needed for cost calculations
  - Time limits on making purchases
  - Interest accrual until member makes purchase

Eligible Salary

Eligible pay during a leave:

- Pay for hours worked
- Overtime/retroactive pay
- Performance-based bonus

Ineligible Payments during a Leave:

- Disability insurance payments
- Workers' Comp payments
- Paid Family & Medical Leave payments from:
  - The state,
  - A private vendor
    - For example, MetLife
  - An employer with a program like the State's
    - For example, pays a % of salary like the State's program

Include as missed wages/hours on the *Annual Leave Report*

Salary Eligibility During a Leave

Starting with pay issued July 1, 2026:

Used PTO is eligible when the used PTO, pay from working, and any leave payments do not exceed regular average salary.

How to calculate:

Pay for hours worked
+ Leave payment(s)

= **X**

Regular average salary
- **X**

= Used PTO eligible for contributions

Salary Eligibility During a Leave

Example

Sam takes an eight-week authorized leave. Sam earns $15/hour and works 60 hours/pay period = $900 each pay period.

Sam's Eligible Salary:

- Sam uses 20 PTO hours each pay period = **$300**
- Sam works 5 hours each pay period= **$75**

$300 used PTO
+ $75 time worked

= Report contributions on **$375/pay period**

Salary Eligibility During a Leave

Sam's Ineligible Salary:

Sam receives $450/pay period for PFML

- $450 PFML ÷ $15/hour = 30 hours
- 30 hours x 4 pay periods = **120 missed hours**

Sam has 5 hours unpaid each pay period

- 5 unpaid hours x 4 pay periods = **20 missed hours**

120 missed PFML pay hours
+ 20 unpaid hours

= **140 missed hours** to report on the *Annual Leave Report*

Adjustments for Retro PFML

Adjustments to salary and contributions may be required when employees receive **retroactive** PFML payments.

You must report adjustments when:

- Contributions were reported on used PTO, and supplemental pay now exceeds regular average salary, and/or
- Amount of used PTO changes

Adjustments for Retro PFML

Transaction Adjustments:

- Use the coverage dates that were originally reported
- Report separate from the current pay period

Adjustments for Retro PFML

Example 1

Maria is taking an eight-week authorized leave. Maria earns $30/hour and works 80 hours/pay period = **$2,400** each pay period.

- Maria is using 50 PTO hours each pay period = **$1,500**
- Maria is working 10 hours each pay period = **$300**
- Maria has 20 missed/unpaid hours each pay period = $600

Contributions are being reported on **$1,800** of eligible pay

- **$1,500** used PTO + **$300** from working = **$1,800**
- 20 missed/unpaid hours

Adjustments for Retro PFML

Maria receives a retroactive PFML payment of **$1,500**/pay period

$1,500 PMFL payment
\+ **$300** from time worked
= **$1,800**

$2,400 regular average salary
\- **$1,800**
= **$600 used PTO** now eligible for contributions

Adjustments for Retro PFML

After Maria received retroactive PFML payments of **$1,500**/pay period, **$600 used PTO** is eligible for contributions

$2,400 regular salary
- **$1,800** (**$1,500** PFML + **$300** time worked)
= **$600**

$1,500 used PTO originally reported
- **$600 used PTO**
= **$900 used PTO** to back out per pay period

Adjustments for Retro PFML

Report the **ineligible PFML pay and unpaid/missed hours** on the *Annual Leave Report*

$1,500 PFML/pay period × 4 pay periods = $6,000 total PFML

$6,000 total PFML ÷ $30/hour = **200 missed hours**

$1,500 PFML payment
+ $300 from time worked
+ $600 used PTO
= 2,400

$2,400 is Maria's regular average salary there are no "other" missed/unpaid hours to report on the leave report

Adjustments for Retro PFML

Example 2

Maria is taking an eight-week authorized leave. Maria earns $30/hour and works 80 hours/pay period = **$2,400** each pay period.

- Maria is using 10 PTO hours each pay period = **$300**
- Maria is working 10 hours each pay period = **$300**
- Maria has 60 missed/unpaid hours each pay period = $1,800

Contributions are being reported on **$600** of eligible pay

- **$300** used PTO + **$300** from working = **$600**

Adjustments for Retro PFML

Maria receives a retroactive PFML payment of **$1,500**/pay period

$1,500 PMFL payment
\+ **$300** from time worked
= **$1,800**

$2,400 regular average salary
\- **$1,800**
= **$600 used PTO** now eligible for contributions

Adjustments for Retro PFML

After Maria received retroactive PFML payments of **$1,500**/pay period, **$600 used PTO** is eligible for contributions

$2,400 regular salary
- **$1,800** (**$1,500** PFML + **$300** time worked)
= **$600**

$300 used PTO originally reported is less than **$600 used PTO**

No adjustment to report to PERA

Adjustments for Retro PFML

Report the **ineligible PFML pay and unpaid/missed hours** on the *Annual Leave Report*

$300 from time worked + $300 used PTO + $1,500 PFML = **$2,100**

2,400 regular average salary – **$2,100** = $300 missed salary

$300 ÷ 30/hour = **10 missed hours**

$1,500 PFML × 4 pay periods = $6,000 total PFML

$6,000 total PFML ÷ $30/hour = **200 missed hours**

10 missed hours + 200 missed hours = 210 total missed hours

Report **210 missed hours** on the *Annual Leave Report*

PERA is governed by Minnesota Statutes; especially chapters 11A, 353, 353A, 353D, 353E, 353F, 353G, 356 and 356A.

Changes to PERA's plans, including benefit provisions and contribution rates, are made through the introduction and passage of legislation by the Minnesota Legislature.

Disclaimer

Disclaimer:

Our programs are intended to provide general information; the rights and obligations of PERA members are governed by state and federal laws, rules, and regulations. The Minnesota Legislature or the federal government may change the statutes, rules, and regulations governing PERA at any time. If there is a discrepancy between the law governing PERA and the information contained in this presentation, the statutes and regulations will govern.

Leave Reporting Questions?

Contact Us

www.mnpera.org/employers

651.296.3636

1.888.892.7372

Leave Reporting Questions:

Email: Eligibility@mnpera.org

Web Message Topic: Eligibility

Adjustment Reporting Questions:

Email: Employer.Reps@mnpera.org

Web Message Topic: Reporting