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**CHAPTER 10 REPORTING – LEAVES OF ABSENCE**

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Employers’ Reference Manual – Chapter 10  
Revised: 5/23/2016
Chapter 10
Reporting – Leaves of Absence

Overview

A leave of absence for activated military service or which has been approved by the employer for sabbatical leave, service as an exchange teacher, service with a collective bargaining organization or professional study.

This chapter defines your reporting responsibilities for leaves of absence granted by the employer and approved by the school board. Approval and reason for the leave must appear in the board minutes. The following are types of approved leaves where the member may be entitled to receive retirement credit:

- Activated Military Leave
- Collective Bargaining Leave
- Exchange Teacher Leave
- Professional Study Leave
- Sabbatical Leave
- Special Sick Leave

There are specific requirements for each type of leave of absence which, at the conclusion of the member’s leave, may include a required period of time the member must return to employment.

If you approve a leave of absence for your school employee, you need to determine how to report the information to PSERS. As you know, PSERS is governed by the Retirement Code, but did you know that PSERS must always abide by the rules contained in the School Code as well? If you approve a school employee’s leave request, you need to determine if the leave of absence:

1. Is an Approved Leave of Absence as defined by the Retirement Code.
2. Meets the qualification rules necessary for the member to receive retirement credit for the service time the school employee would have earned had the employee not been on leave.
3. Is considered a contributing or a non-contributing leave regardless if you are paying the school employee a salary or not.

- In a Contributing leave of absence, both the member and employer must pay retirement contributions on the full contracted salary the member would have earned had the school employee been working.
- In a Non-Contributing leave of absence, neither the member nor the employer remits any retirement contributions during the period of the leave, with the exception of an Activated Military Leave that commenced prior to July 1, 2013. We will discuss Activated Military Leave in more detail later in this chapter.
If the leave of absence is for less than one pay period, you do not need to submit a new contract record. If the leave of absence is equal to or greater than one pay period, you must report the school employee’s leave of absence as defined below.

Let’s review the types of Leaves of Absence (the different Work Statuses were defined in Chapter 4: “Member Contract Records”:

**Activated Military Leave**

**Eligibility**
An active member who belongs to a reserve unit of the armed forces may be approved for an activated military leave for an unspecified period of time pursuant to an order into active military service issued on or after July 1, 1990, through an order for leave commencing prior to July 1, 2013. *For orders commencing after June 30, 2013, see Uniformed Services Employment and Reemployment Rights of 1994 (USERRA) Leave.*

*Note: An employee serving the regular 15 days of active duty for Reserves should be reported as if in regular employment (i.e., Work Status set to “ACTIVE - Actively Working”).*

Activated Military Leave should not be used to report an employee who volunteers to join the Military Service or National Guard. In that case, the Work Status should be “LEAVEN – Any Other Leave Not Listed” or “TRMNTN – Termination” as appropriate.

**Academic Requirements**
There are no academic requirements for this type of leave.

**Length Allowed**
The activated military leave may be granted for an unspecified period of time pursuant to an order into active military service issued on or after July 1, 1990, through an order for leave commencing prior to July 1, 2013.

**Compensation**
It is the employer’s decision whether or not to continue to pay all or part of the member’s full contract salary. The reporting of the information differs based on your decision.

**Reporting Requirements**
The employee (member) who is on Activated Military Leave should be reported to PSERS as follows:

**If the member is being paid:**
- The employer reports the full amount of the contracted salary, regardless of the amount actually being paid to the member. The employer and member each pay and the employer remits contributions on the full amount. The employee (member) should be reported to PSERS as follows:
  - **Work Status = ACTMLC – Activated Military Leave (Contributing)** When submitting the Contract Record the Work Status Start Date should be equal to
the first day of the Activated Military Leave as stated in the military documentation. After submitting the ACTMLC Contract Record, your Work Report should reflect the same Work Status. If the member requests to begin the leave of absence prior to the order’s commencement date and you grant the request, then report the school employee as stated in the section below titled Any Other Leave Not Listed for the period prior to the order’s commencement date.

- **Wages** should be equal to the employee’s full contract salary. Wages should be reported in the following fields.
  - Wages paid to the employee should be reported in the **BASE** field.
  - Wages representing the unpaid portion of the full contract salary should be reported in the Unpaid Retirement-Covered Compensation (**URCC**) field.

- **Days or Hours** should be reported based on the time that would have been rendered had the school employee not been on leave.
  - If the school employee was employed with a Wage Type of Per Diem or Salaried, Days should be reported based on the number of days the employee would have worked.
  - If the school employee was employed with a Wage Type of Hourly, Hours should be reported based on the number of hours the employee would have worked.

- **Member Contributions** should be deducted, remitted, and reported based on the employee’s Member Contribution Rate multiplied by the employee’s full contract salary.

- **Employer Contributions** should be paid and remitted based on the Employer Contribution Rate in effect for the fiscal year(s) of the Activated Military Leave multiplied by the employee’s full contract salary.

**If the member negotiates an unpaid, contributing leave:**

- The employer pays contributions on the full contracted salary during the period of the leave. The member pays contributions as post-tax dollars to the employer who reports and submits payments to PSERS on the member’s behalf. PSERS posts these contributions as Investment-in-Contract Post-86 funds. The employee (member) should be reported to PSERS as follows:

  - **Work Status = ACTMLC – Activated Military Leave (Contributing)** When submitting the Contract Record the Work Status Start Date should be equal to the first day of the Activated Military Leave as stated in the military documentation. After submitting the ACTMLC Contract Record, your Work Report should reflect the same Work Status. If the member requests to begin
the leave of absence prior to the order commencement date and you grant the request, then report the school employee as stated in the section titled **Any Other Leave Not Listed** for the period prior to the order commencement date.

- **Wages** should be reported in the URCC field. The wages should be equal to the employee’s full contract salary.

- **Days or Hours** should be reported based on the time that would have been rendered had the school employee not been on leave.
  
  ✓ If the school employee was employed with a Wage Type of Per Diem or Salaried, Days should be reported based on the number of days the employee would have worked.

  ✓ If the school employee was employed with a Wage Type of Hourly, Hours should be reported based on the number of hours the employee would have worked.

- **Member Contributions** should be paid by the school employee to the employer and remitted and reported by the employer based on the employee’s Member Contribution Rate multiplied by the employee’s full contract salary.

- **Employer Contributions** should be paid and remitted based on the Employer Contribution Rate in effect for the fiscal year(s) of the Activated Military Leave multiplied by the employee’s full contract salary.

**If the member negotiates an unpaid, non-contributing leave:**

- Employer contributions are paid while the member is on leave but no member contributions are paid or remitted to PSERS during the period of the leave. Once the school employee returns to active service, the member may purchase the unpaid non-contributing activated military leave and pay member contributions. The employee (member) should be reported to PSERS as follows:

  - **Work Status** = ACTMLN – Activated Military Leave (Non-Contributing)  When submitting the Contract Record, the Work Status Start Date should be equal to the first day of the Activated Military Leave as stated in the military documentation. After submitting the ACTMLN Contract Record, your Work Report should reflect the same Work Status. If the member requests to begin the leave of absence prior to the order’s commencement date and you grant the request, then report the school employee as stated in the section titled **Any Other Leave Not Listed** for the period prior to the order’s commencement date.

  - **Wages** should be reported in the WNC field. The wages should be equal to the employee’s full contract salary.
o **Days or Hours** should be reported based on the time that would have been rendered had the school employee not been on leave.

✓ If the school employee was employed with a Wage Type of Per Diem or Salaried, Days should be reported based on the number of days the employee would have worked.

✓ If the school employee was employed with a Wage Type of Hourly, Hours should be reported based on the number of hours the employee would have worked.

o **Member Contributions** should not be paid by the school employee.

o **Employer Contributions** are required to be paid and remitted even though the employee is not making retirement contributions. The Employer Contributions are based on the Employer Contribution Rate in effect for the fiscal year(s) of the Activated Military Leave multiplied by the employee’s full contract salary.

**Return Requirements to Receive Service Credits**
The member must return to active service for at least one day, whether on a contributing or non-contributing leave, to retain the service.

When the employee returns to school employment, the employee must provide a copy of the discharge documentation (*DD214 – Certificate of Release of Discharge from Active Duty or NGB-22 Report of Separation and Record of Service*) to you, the employer, within one year following his or her return to confirm eligibility for Activated Military Leave so that you can update the Member Contract Record accordingly. A copy of this documentation must be submitted to PSERS, Purchase of Service Unit.

*Note:* The employer may request a refund of employer contributions with valuation interest if the member does not return to service, does not return to service for the necessary time, receives an undesirable, bad conduct or dishonorable discharge, or does not elect to make the purchase and receive service credit. Submit the Approved Leave of Absence – Employer Verification (PSRS-709A) form with a copy of the member’s discharge documentation.

**Subsequent Purchase**
The member must return to active service within 90 days following the leave in order to be eligible to purchase the service for the non-contributing leave of absence.

**NOTE 1:** Special rules apply for hospitalized and disabled members.

**NOTE 2:** Employees who do not ordinarily work over summer months are not expected to return until the start of the next school term if the end of the 90-day period falls during summer months.
When the employee returns to school employment, the employee must provide a copy of the discharge documentation *(DD214 – Certificate of Release of Discharge from Active Duty or NGB-22 Report of Separation and Record of Service)* to you, the employer, within one year following his or her return to confirm eligibility for Activated Military Leave so that you can update the Member Contract Record accordingly. A copy of this documentation must be submitted to PSERS.

If a member dies while serving, the service credit is calculated and credited up to the date of death and, if the member was on a non-contributing leave, an actuarial debt is applied for the purchase.

**Administrative Leave Including Suspension**

**Eligibility**
A PSERS member may be granted other types of leaves of absence (including but not limited to a disciplinary suspension and contract buyout), not recognized as an approved leave of absence by the Retirement Code, and, therefore, will not entitle the member to any credited service during the period of leave.

**Academic Requirements**
The academic requirements for this type of leave are not defined by the Retirement Code; therefore, it is at the employer’s discretion.

**Length Allowed**
The length of the leave is not defined by the Retirement Code; therefore, it is at the employer’s discretion. PSERS, however, will only allow the member to retain PSERS membership for a period up to 24 months.

**Compensation**
Because paid or unpaid administrative leave (e.g., suspension, contract buyout, Family Medical Leave Act (FMLA), etc.) is not an approved leave of absence under the Retirement Code, the amount of salary you pay the school employee is at the employer’s discretion.

**Reporting Requirements**
The employee (member) should be reported to PSERS as follows:

- **Work Status** = LEAVEN – Any Other Leave Not Listed (Non-Contributing)  When submitting the Contract Record the Work Status Start Date should be equal to the first day of the leave of absence. After submitting the LEAVEN Contract Record, your Work Report should reflect the same Work Status.
- **Wages** should not be reported in any Wage field.
- **Days or Hours** should be not reported.
- **Member Contributions** should not be paid by the school employee or deducted by the employer.
- **Employer Contributions** should not be paid by the employer.
Note: For more details on reporting suspensions, please review *Understanding Reporting with Suspensions and Terminations* later in this chapter.

**Return Requirements to Receive Service Credits**
The return requirements for this type of leave are not defined by the Retirement Code; therefore, it is at the employer discretion.

**Subsequent Purchase**
The employee may not purchase service time for this leave.

**Collective Bargaining Unit Leave**

**Eligibility**
An active member may be approved for a full-time leave for service with a collective bargaining organization for an unspecified period of time. The employer reports the member’s full contracted salary and service, pays, and remits employer contributions on that amount. The employer reports only the salary the member would have earned as a school employee. The employer must deduct, remit, and report the member’s contributions based on that full contract salary, not the salary the collective bargaining organization is paying the school employee. The collective bargaining organization is required to reimburse the employer for the member’s salary and all benefits including the employer contributions.

**Academic Requirements**
There are no academic requirements for this type of leave.

**Length Allowed**
An active member may be approved for a full-time leave for service with a collective bargaining organization for an unspecified period of time.

**Compensation**
This must be a paid, full-time leave. PSERS will presume that if a school board approves a member for leave with a collective bargaining organization, the above requirements have been met unless we have reason to believe otherwise.

**Reporting Requirements**
The employee (member) should be reported to PSERS as follows:

- **Work Status** = **UNIONC – Collective Bargaining Unit Leave (Contributing)** When submitting the Contract Record the Work Status Start Date should be equal to the first day of Collective Bargaining Unit Leave. After submitting the UNIONC Contract Record, your Work Report should reflect the same Work Status.
• **Wages** should be reported in the BASE field. The wages should be equal to the employee’s full contract salary, not the salary the employee is earning from the Collective Bargaining Unit.

• **Days or Hours** should be reported based on the time that would have been rendered had the school employee not been on leave.
  
  o If the school employee was employed with a Wage Type of Per Diem or Salaried, Days should be reported based on the number of days the employee would have worked.
  
  ✓ If the school employee was employed with a Wage Type of Hourly, Hours should be reported based on the number of hours the employee would have worked.

  o **Member Contributions** should be paid by the school employee to the employer and remitted and reported by the employer based on the employee’s Member Contribution Rate multiplied by the employee’s full contract salary.

  o **Employer Contributions** should be paid and remitted based on the Employer Contribution Rate in effect for the fiscal year(s) of the Collective Bargaining Unit Leave multiplied by the employee’s full contract salary.

**Return Requirements to Receive Service Credits**
There are no return requirements for this type of leave.

**Subsequent Purchase**
Because the member was being reported to PSERS during the leave of absence, the member does not need to apply to receive service credit for the period of leave. The salary, contributions, and service have already been credited to the member’s account.

**Exchange Teacher Leave**

**Eligibility**
This leave is granted to a school employee who exchanges teaching positions with a teacher from another country. PSERS will presume that if a school board approves a member for leave as an exchange teacher, the requirements have been met unless we have reason to believe otherwise.

**Academic Requirements**
There are no academic requirements for this type of leave.
Length Allowed
An active, professional employee may be approved for leave as an exchange teacher for an unspecified period of time. If this is a non-contributing leave of absence, PSERS will only allow the member to retain PSERS membership for a period up to 24 months.

Compensation
The leave may be paid or unpaid. The amount of salary you pay the school employee is at the employer’s discretion.

Reporting Requirements
The employee (member) should be reported to PSERS as follows:

If the member is being paid:
- The employer reports the full amount of the contracted salary, regardless of the salary actually being paid, and the employer and member each pay and the employer remits contributions on that amount. The employee (member) should be reported to PSERS as follows:
  - Work Status = EXCHGC – Exchange Teacher Leave (Contributing) When submitting the Contract Record the Work Status Start Date should be equal to the first day of the Exchange Teacher Leave. After submitting the EXCHGC Contract Record, your Work Report should reflect the same Work Status.
  - Wages should be equal to the employee’s full contract salary. Wages should be reported in the following fields:
    - Wages paid to the employee should be reported in the BASE field.
    - Wages representing the unpaid portion of the full contract salary should be reported in the URCC field.
  - Days should be reported based on the number of days the employee would have worked.
  - Member Contributions should be deducted, remitted, and reported based on the employee’s Member Contribution Rate multiplied by the employee’s full contract salary.
  - Employer Contributions should be paid and remitted based on the Employer Contribution Rate in effect for the fiscal year(s) of the Exchange Teacher Leave multiplied by the employee’s full contract salary.

If the member negotiates an unpaid, contributing leave:
- The employer pays contributions on the full contracted salary during the period of the leave. The member pays contributions as post-tax dollars to the employer who reports and remits payments to PSERS on the member’s behalf. PSERS posts these contributions as Investment-in-Contract Post-86 funds. The employee (member) should be reported to PSERS as follows:
- **Work Status** = **EXCHGC** – Exchange Teacher Leave (Contributing) When submitting the Contract Record the Work Status Start Date should be equal to the first day of the Exchange Teacher Leave. After submitting the EXCHGC Contract Record, your Work Report should reflect the same Work Status.

- **Wages** should be reported in the **URCC** field. The wages should be equal to the employee’s full contract salary.

- **Days** should be reported based on the number of days the employee would have worked.

- **Member Contributions** should be paid by the school employee to the employer and remitted and reported by the employer based on the employee’s Member Contribution Rate multiplied by the employee’s full contract salary.

- **Employer Contributions** should be paid and remitted based on the Employer Contribution Rate in effect for the fiscal year(s) of the Exchange Teacher Leave multiplied by the employee’s full contract salary.

**If the member negotiates an unpaid, non-contributing leave:**

- No member or employer contributions are paid or remitted to PSERS during the period of the leave. The employee (member) should be reported to PSERS as follows:

  - **Work Status** = **EXCHGN** – Exchange Teacher Leave (Non-Contributing) When submitting the Contract Record the Work Status Start Date should be equal to the first day of the Exchange Teacher Leave. After submitting the EXCHGC Contract Record, your Work Report should reflect the same Work Status.

  - **Wages** should be reported in the **WNC** field. The wages should be equal to the employee’s full contract salary.

  - **Days** should be reported based on the number of days the employee would have worked.

  - **Member Contributions** should **not** be paid by the school employee.

  - **Employer Contributions** should **not** be paid by the employer.

*Note: The employer should not report the teacher from the other country, only the teacher employed by the employer and currently teaching in another country.*

**Return Requirements to Receive Service Credits**

In order to retain the service for an exchange teacher leave, the member must return for a period at least equal to the lesser of the length of the leave or one year (PSERS defines one year as 180 days), unless the return requirement is waived by the employer.
If the member returns from a contributing exchange teacher leave for less than the required period, PSERS will contact the employer to determine whether the requirement to return was waived. Without such a waiver, the member’s service, salary, and contributions will be reduced on a day-for-day basis.

**Subsequent Purchase**
Once the school employee returns to active service, the member may purchase an unpaid non-contributing exchange teacher leave. The member pays both the employer and member contributions.

**Furlough**

**Eligibility**
In the event that an employee is furloughed, the employer will submit a Contract Record with a Work Status of LEAVEN (Any Other Leave not Listed). For qualified members, this will allow the member to retain his or her Class and Membership status for up to 24 months.

- If the member applies for a benefit or refund and a termination record does not exist, PSERS will contact the employer by mail to request a termination (TRMNTN) Contract Record.
- If the member remains on a LEAVEN (Any Other Leave not Listed) for more than 24 months, PSERS will terminate the LEAVEN Contract Record at the conclusion of the 24th month.

**Academic Requirements**
There are no academic requirements for this type of leave.

**Length Allowed**
The length of the leave is not defined by the Retirement Code; therefore, it is at the employer’s discretion. PSERS, however, will only allow the member to retain PSERS membership for a period up to 24 months.

**Compensation**
Not Applicable.

**Reporting Requirements**
The employee (member) should be reported to PSERS as follows:

- **Work Status = LEAVEN – Any Other Leave Not Listed (Non-Contributing)** When submitting the Contract Record the Work Status Start Date should be equal to the first day of the leave of absence. After submitting the LEAVEN Contract Record, your Work Report should reflect the same Work Status.
- **Wages** should not be reported in any Wage field.
- **Days** or **Hours** should be not reported.
• **Member Contributions** should *not* be paid by the school employee or deducted by the employer.

• **Employer Contributions** should *not* be paid by the employer.

**Return Requirements to Receive Service Credits**
Not Applicable.

**Subsequent Purchase**
The employee may not purchase service time for this leave.

**Jury Duty**

**Eligibility**
Due to its variable length and the nature of the service, jury duty is considered to be *active employment* rather than a leave of absence. While an employee is on jury duty, continue to include the employee in monthly Work Reports with a Work Status of “ACTIVE – Actively Working.” Also, continue to pay contributions for this employee.

**Academic Requirements**
Not Applicable.

**Length Allowed**
Not Applicable.

**Compensation**
It is the employer’s decision whether or not to continue to pay all or part of the member’s full contract salary. The reporting of the information does *not* change based on your decision.

**Reporting Requirements**
The employee (member) should be reported to PSERS as follows:

- **Work Status** = **ACTIVE – Actively Working** (contributing) You do not need to submit a subsequent Contract Record.

- **Wages** should be reported in the **BASE** field. The wages should be equal to the employee’s full contract salary.

- **Days or Hours** should be reported based on the time that would have been rendered had the school employee not been on leave.
  - If the school employee was employed with a Wage Type of Per Diem or Salaried, Days should be reported based on the number of days the employee would have worked.
  - If the school employee was employed with a Wage Type of Hourly, Hours should be reported based on the number of hours the employee would have worked.
• *Member Contributions* should be deducted, remitted, and reported based on the employee’s Member Contribution Rate multiplied by the employee’s full contract salary.

• *Employer Contributions* should be paid and remitted based on the Employer Contribution Rate in effect for the fiscal year(s) of the Jury Duty leave multiplied by the employee’s full contract salary.

**Return Requirements to Receive Service Credits**
Not Applicable.

**Subsequent Purchase**
Not Applicable.

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**Professional Study Leave**

**Eligibility**
An active member may be approved for a professional study leave for an unspecified period of time. The school board must approve a plan of study in advance, similar to the requirements for a Sabbatical Leave for Professional Development. This leave must be directly related to the member’s professional responsibilities. It is intended to allow a member to improve on the skills for the position the member currently holds, rather than to improve or develop skills for an unrelated position. Leave to improve oneself for an unrelated position could only be described as a leave for personal study, which would not qualify under this provision.

PSERS will presume that if a school board approves a member’s leave for professional study, the requirements have been met unless PSERS has reason to believe otherwise.

**Academic Requirements**
The leave must be directly related to the member’s professional responsibilities and is intended to allow a member to improve on the skills for the position the member currently holds.

**Length Allowed**
An active member may be approved for a professional study leave for an unspecified period of time. If this is a non-contributing leave of absence, PSERS will only allow the member to retain PSERS membership for a period up to 24 months.

**Compensation**
The leave may be paid or unpaid. The amount of salary you pay the school employee is at the employer’s discretion.

**Reporting Requirements**
The employee (member) should be reported to PSERS as follows:
If the member is being paid:

- The employer reports the full amount of the contracted salary and the employer and member each pay and the employer remits contributions on that amount. The employee (member) should be reported to PSERS as follows:
  
  o **Work Status** = **STUDYC – Professional Study Leave (Contributing)** When submitting the Contract Record, the Work Status Start Date should be equal to the first day of the Professional Study Leave. After submitting the STUDYC Contract Record, your Work Report should reflect the same Work Status.
  
  o **Wages** should be equal to the employee’s full contract salary. Wages should be reported in the following fields:
    
    ✓ Wages paid to the employee should be reported in the **BASE** field.
    
    ✓ Wages representing the unpaid portion of the full contract salary should be reported in the **URCC** field.

  o **Days** should be reported based on the number of days the employee would have worked.

  o **Member Contributions** should be deducted, remitted, and reported based on the employee’s Member Contribution Rate multiplied by the employee’s full contract salary.

  o **Employer Contributions** should be paid and remitted based on the Employer Contribution Rate in effect for the fiscal year(s) of the Professional Study Leave multiplied by the employee’s full contract salary.

If the member negotiates an unpaid, contributing leave:

- The employer pays contributions on the full contracted salary during the period of the leave. The member pays contributions as post-tax dollars to the employer who reports and remits payments to PSERS on the member’s behalf. PSERS posts these contributions as Investment-in-Contract Post-86 funds. The employee (member) should be reported to PSERS as follows:

  o **Work Status** = **STUDYC – Professional Study Leave (Contributing)** When submitting the Contract Record, the Work Status Start Date should be equal to the first day of the Professional Study Leave. After submitting the STUDYC Contract Record, your Work Report should reflect the same Work Status.

  o **Wages** should be reported in the **URCC** field. The wages should be equal to the employee’s full contract salary.

  o **Days** should be reported based on the number of days the employee would have worked.

  o **Member Contributions** should be paid by the school employee to the employer and remitted and reported by the employer based on the employee’s Member Contribution Rate multiplied by the employee’s full contract salary.
Employer Contributions should be paid and remitted based on the Employer Contribution Rate in effect for the fiscal year(s) of the Professional Study Leave multiplied by the employee’s full contract salary.

If the member negotiates an unpaid, non-contributing leave:
- No member or employer contributions are paid or remitted to PSERS during the period of the leave. The employee (member) should be reported to PSERS as follows:
  - **Work Status = STUDYN – Professional Study Leave (Non-Contributing)**  
    When submitting, the Contract Record the Work Status Start Date should be equal to the first day of the Professional Study Leave. After submitting the STUDYN Contract Record, your Work Report should reflect the same Work Status.
  - **Wages** should be reported in the WNC field. The wages should be equal to the employee’s full contract salary.
  - **Days** should be reported based on the number of days the employee would have worked.
  - **Member Contributions** should **not** be paid by the school employee.
  - **Employer Contributions** should **not** be paid by the employer.

Return Requirements to Receive Service Credits
In order to retain service for a contributing professional study leave, the member must:
- Return for a period at least equal to the lesser of the length of the leave or one year (PSERS defines one year as 180 days), unless the return requirement is waived by the employer.
  - If the member returns from a contributing professional study leave for less than the required period of time, PSERS will contact the employer to determine whether the requirement to return was waived. Without such a waiver, the member’s service, salary, and contributions will be reduced on a day-for-day basis.
- Provide evidence to the employer of completion of the pre-approved plan of study.

PSERS will presume that this requirement has been met unless PSERS has reason to believe otherwise.

Subsequent Purchase
In order to purchase service for a non-contributing professional study leave, the member must:
- Return for a period at least equal to the lesser of the length of the leave or one year (PSERS defines one year as 180 days), unless the return requirement is waived by the employer.
  - If the member submits an application to purchase the non-contributing professional study leave and the member works for less than the required period of time, PSERS will contact the employer to determine whether the requirement to return was waived.
Without such a waiver, the member’s service, salary, and contributions will be reduced on a day-for-day basis.

- Provide evidence to the employer of completion of the pre-approved plan of study.
- Pay both the employer and member contributions.

PSERS will presume that this requirement has been met unless PSERS has reason to believe otherwise.

**Sabbatical Leave**

**Eligibility**
An active professional member or member of the supervisory, instructional, or administrative staff is eligible for an approved sabbatical leave given:

- Ten or more years of service credit are earned in Pennsylvania, with five or more consecutive years of service earned in the district granting the sabbatical.
- A plan of study for a sabbatical leave for professional development.
- At least seven additional years of service before a subsequent sabbatical may be granted.

**Types of Sabbaticals**

- An eligible member is entitled to a sabbatical leave for professional development, restoration of health or, at the discretion of the school board, for other purposes.
- PSERS will presume that if a school board approves a member for a sabbatical leave, the above requirements have been met unless we have reason to believe otherwise.

**Academic Requirements**
If the school employee is granted a sabbatical for professional development, then the leave must be directly related to the member’s professional responsibilities. It is intended to allow a member to improve on the skills for the position the member currently holds, rather than to improve or develop skills for an unrelated position; otherwise, there are no academic requirements.

A plan of study for a sabbatical leave for professional development consists of any of the following or a combination thereof:

- One full school term – 18 graduate credits, 24 undergraduate credits, or 360 hours of professional development
- One half school term – 9 graduate credits, 12 undergraduate credits, or 180 hours of professional development.
Length Allowed
A sabbatical leave may be taken for one full school term, one half school term, or two half school terms within a 24 month period. Two half term sabbaticals could span three academic years. When granting a “split” sabbatical leave there is no specific requirement that the second half-term leave be approved when the first one is requested or granted – the only requirement is that both half-term leaves must ultimately be granted and completed within a two-year period.

Possible Extension of Leave
If a leave for one half school term for restoration of health or professional development has been granted and the member is unable to return because of illness or physical disability, the member is entitled to a further leave for one half school term.

If a leave for one full school term has been granted and the member is unable to return because of illness or physical disability, the school board may, at its discretion, extend the leave for up to one additional full school term (up to a total of two school terms).

Compensation
During the period of the leave, the member must be paid 50% or more of his or her contracted salary. The employer reports the actual amount paid to the member as well as the unpaid portion (totaling 100% of contracted salary) each month. Members are considered to be in regular daily attendance during the period of the leave and service is reported accordingly. The employer and member pay contributions on 100% of the contracted salary.

An employer, at its discretion, may pay an amount greater than 50% of the contracted salary. Regardless of the amount paid the member’s work status remains “Sabbatical.”

EXAMPLE:
- Member is paid 50% of contracted salary by employer.
- Member uses accumulated sick leave (1/2 day for each day absent) so that he receives 100% of contracted salary from the employer.
- Although members on paid sick leave are usually reported with a work status of “Active,” in such a situation the member will retain the work status of “Sabbatical.”

NOTE: Employers occasionally report sabbatical leaves retroactively as a correction of the record, resulting in a purchase of service, but planned sabbatical leaves cannot be non-contributing.

Possible Additional Retirement-Covered Compensation
A sabbatical leave constitutes a full-time absence from school during the period of the leave; a part-time absence from school during either a half or full school term is not permitted. A member on a sabbatical leave may not count additional earnings as retirement-covered compensation or accrue additional service if the employment occurred during the normal work hours and months of the primary position. It may count earnings as retirement-covered
compensation and accrue additional service if the work occurred outside of normal work hours or at other times during the year. See Chapter 8: “Reporting – Retirement-Covered Compensation” for more information.

**Reporting Requirements**
The employee (member) should be reported to PSERS as follows:

- **Work Status = SABTLC – Sabbatical Leave (Contributing)** When submitting the Contract Record the Work Status Start Date should be equal to the first day of Sabbatical Leave. After submitting the SABTLC Contract Record, your Work Report should reflect the same Work Status.

- **Wages** should be equal to the employee’s full contract salary. Wages should be reported in the following fields:
  - Wages paid to the employee should be reported in the **BASE** field.
  - Wages representing the unpaid portion of the full contract salary should be reported in the **URCC** field.

- **Days or Hours** should be reported based on the time that would have been rendered had the school employee not been on leave.
  - If the school employee was employed with a Wage Type of Per Diem or Salaried, Days should be reported based on the number of days the employee would have worked.
  - If the school employee was employed with a Wage Type of Hourly, Hours should be reported based on the number of hours the employee would have worked.

- **Member Contributions** should be deducted, remitted, and reported based on the employee’s Member Contribution Rate multiplied by the employee’s full contract salary.

- **Employer Contributions** should be paid and remitted based on the Employer Contribution Rate in effect for the fiscal year(s) of the Sabbatical Leave multiplied by the employee’s full contract salary.

**Return Requirements to Receive Service Credits**
In order to retain service credit for the period of the sabbatical, a member must return to the employer that granted a sabbatical leave for a period equal to at least one school term immediately following the end of the leave to retain the full sabbatical service credit. PSERS defines the school term as 180 days, regardless of the fiscal year or the number of days the member is contracted to work. Employees who do not ordinarily work over summer months are not expected to return until the start of the next school term. Pre-arrangement with the member not to return to active service with the employer following the sabbatical leave is prohibited.
PSERS will allow the member to retain the full sabbatical credit without returning for one school term for either of these reasons:

1. The member cannot return, or only returns for a portion of one school term, due to illness, disability, or death.
2. The member is prevented from returning by the employer.

If, immediately subsequent to the Sabbatical Leave, the employer grants a Special Sick Leave or the member receives a PSERS disability benefit, PSERS will presume that the member could not return. Otherwise, PSERS will request a Member Sabbatical Leave – Employer Verification (PSRS-1320) form or other acceptable documentation as proof of an exception.

A member who does not return for a full school term and does not meet one of the exceptions previously stated will receive proportional service credit for the sabbatical based upon the period of time the member worked immediately following the latest period of the sabbatical leave period. PSERS will utilize the Member Sabbatical Leave – Employer Verification form, or other acceptable documentation, to determine the proportional service credit.

Additionally, in order to retain service credit for the period of a sabbatical leave for professional development, the member must provide evidence to the employer of the completion of the pre-approved plan of study. PSERS will presume that this requirement has been met unless we have reason to believe otherwise.

**Subsequent Purchase**
Because the member was being reported to PSERS during the leave of absence, the member does not need to apply to receive service credit for the period of leave. The salary, contributions, and service have already been credited to the member’s account.

**Special Sick Leave**

**Eligibility**
The *Special Sick Leave (SSL)* policy, adopted by the PSERS Board of Trustees, states that a member may receive service credit for Special Sick Leave if all of the following conditions are met:

1. The leave must be approved by the employer (approval is discretionary).
2. The member must receive at least half pay during the leave, through salary, workers’ compensation, or other disability insurance paid by the employer.
3. Both the member and the employer must pay retirement contributions (see conditions below) based upon the full contract salary.
4. The leave is limited to one year, per occurrence.
This leave is granted to an employee who is ill and wishes to receive credit towards retirement. Granting of Special Sick Leave is optional and must be approved by your (the employer's) board of directors.

Notes:

- **SSL can be used for any illness or physical condition that prevents the employee from performing his or her job.**

- **A second occurrence would not qualify for a second SSL period if the member is on the initial leave. In the event of a second occurrence, there must be a day in between the leaves. This applies whether or not the member is contributing during the leave.**

- **The leave may be contributing or non-contributing during the period of the leave.**

**Academic Requirements**
There are no academic requirements for this type of leave.

**Length Allowed**
The leave may not exceed one year, i.e. one 12 month period, regardless of whether it is a contributing or non-contributing leave.

**Compensation**
To qualify for the leave, the member must receive at least half pay during the leave through salary, workers' compensation, or other disability insurance paid by the employer. Both the employer and the employee must be willing to contribute based on the employee's full contract salary.

**Reporting Requirements**
The employee (member) should be reported to PSERS as follows:

**If the member is paid by the school employer:**
- The employer reports the full amount of the contracted salary and the employer and member each pay and the employer remits contributions on that amount. The employee (member) should be reported to PSERS as follows:
  - **Work Status** -
    - SSLSSC – Special Sick Leave – School Sponsored (Contributing) -When submitting the Contract Record the Work Status Start Date should be equal to the first day of the Special Sick Leave. After submitting the SSLSSC Contract Record, your Work Report should reflect the same Work Status.
SSLWCC – Special Sick Leave – Worker’s Compensation (Contributing) -
When submitting the Contract Record the Work Status Start Date should be equal to the first day of the Special Sick Leave. After submitting the SSLWCC Contract Record, your Work Report should reflect the same Work Status.

- **Wages** should be equal to the employee’s full contract salary. Wages should be reported in the following fields.
  - Wages paid to the employee should be reported in the **BASE** field.
  - Wages representing the unpaid portion of the full contract salary should be reported in the **URCC** field.

- **Days or Hours** should be reported based on the time that would have been rendered had the school employee not been on leave.
  - If the school employee was employed with a Wage Type of Per Diem or Salaried, Days should be reported based on the number of days the employee would have worked.
  - If the school employee was employed with a Wage Type of Hourly, Hours should be reported based on the number of hours the employee would have worked.

- **Member Contributions** should be deducted, remitted, and reported based on the employee’s Member Contribution Rate multiplied by the employee’s full contract salary.

- **Employer Contributions** should be paid and remitted based on the Employer Contribution Rate in effect for the fiscal year(s) of the Special Sick Leave multiplied by the employee’s full contract salary.

**Contributing leave if the member is paid by school sponsored disability insurance or workers’ compensation:**

- The employer would pay employer contributions on the full contracted salary during the period of the leave. The member remits contributions as post-tax dollars to the employer who submits payments to PSERS on the member’s behalf. PSERS posts these contributions as Investment-in-Contract Post-86 funds. The employee (member) should be reported to PSERS as follows:
  - **Work Status** -
    - **SSLSSC – Special Sick Leave – School Sponsored (Contributing)** - When submitting the Contract Record the Work Status Start Date should be equal to the first day of the Special Sick Leave. After submitting the
SSLSSC Contract Record, your Work Report should reflect the same Work Status.

✓ **SSLWCC – Special Sick Leave – Worker’s Compensation (Contributing)** - When submitting the Contract Record, the Work Status Start Date should be equal to the first day of the Special Sick Leave. After submitting the SSLWCC Contract Record, your Work Report should reflect the same Work Status.

- **Wages** should be reported in the URCC field. The wages should be equal to the employee’s full contract salary.

- **Days or Hours** should be reported based on the time that would have been rendered had the school employee not been on leave.

  ✓ If the school employee was employed with a Wage Type of Per Diem or Salaried, Days should be reported based on the number of days the employee would have worked.

  ✓ If the school employee was employed with a Wage Type of Hourly, Hours should be reported based on the number of hours the employee would have worked.

- **Member Contributions** should be paid by the school employee to the employer and remitted and reported by the employer based on the employee’s Member Contribution Rate multiplied by the employee’s full contract salary.

- **Employer Contributions** should be paid and remitted based on the Employer Contribution Rate in effect for the fiscal year(s) of the Special Sick Leave multiplied by the employee’s full contract salary.

If the member negotiates an unpaid, non-contributing leave:

- No contributions are remitted during the period of the leave. The employee (member) should be reported to PSERS as follows:

- **Work Status** -

  ✓ **SSLSSN – Special Sick Leave – School Sponsored (Non-Contributing)** When submitting the Contract Record the Work Status Start Date should be equal to the first day of the Special Sick Leave. After submitting the SSLSSN Contract Record, your Work Report should reflect the same Work Status.

  ✓ **SSLWCN – Special Sick Leave – Worker’s Compensation (Non-Contributing)** When submitting the Contract Record the Work Status Start Date should be equal to the first day of the Special Sick Leave.
After submitting the SSLWCN Contract Record, your Work Report should reflect the same Work Status.

- **Wages** should be reported in the **WNC** field. The wages should be equal to the employee’s full contract salary.

- **Days or Hours** should be reported based on the time that would have been rendered had the school employee not been on leave.
  - If the school employee was employed with a Wage Type of Per Diem or Salaried, Days should be reported based on the number of days the employee would have worked.
  - If the school employee was employed with a Wage Type of Hourly, Hours should be reported based on the number of hours the employee would have worked.

- **Member Contributions** should **not** be paid by the school employee.

- **Employer Contributions** should **not** be paid by the employer.

PSERS does not automatically require employers to submit copies of school board minutes to confirm that Special Sick Leave was granted. PSERS will require this documentation only if there is a specific reason to question the leave. PSERS presumes that the employer’s action of submitting the appropriate Contract Record serves as confirmation from the employer to PSERS that all of the requirements for granting the leave have been met.

**Return Requirements to Receive Service Credits**
The policy does not require a member to return from a Special Sick Leave to retain the related service. Employers may require a return to service as part of the conditions to grant the leave.

**CONTRIBUTING SSL:** The member need not return to service after the leave terminates to receive credit for this leave.

**NON-CONTRIBUTING SSL:** A member who returns to active service may purchase a non-contributing Special Sick Leave through the Purchase of Service process. Both parties would be billed for their share of contributions and service credit would be awarded.

**Subsequent Purchase**
When a member negotiates a non-contributing leave, the employer must approve the purchase of service request for the member to receive credit for the period of leave. The employer and member pay their respective contributions in effect for the fiscal year(s) of the Special Sick Leave multiplied by the employee’s full contract salary the member would have earned had the school employee not be on a leave of absence.
Uniformed Services Employment and Reemployment Rights of 1994 (USERRA) Leave

Eligibility
This leave type is used when a school employee must fulfill an obligation in the Armed Forces of the United States in time of war or armed conflict when the orders initiated on or after July 1, 2013. (For orders commencing before June 30, 2013, see Activated Military Leave.)

A member who joins the armed services and is called to active duty, whether on a voluntary or involuntary basis, and whether extended on a voluntary or involuntary basis, will generally be allowed to retain the right to reemployment protection under USERRA, provided the leave does not exceed five years. If the employer chooses to refuse re-employment under one of the exceptions, then it will be up to the employer to raise that issue with the member.

Note: An employee serving the regular 15 days of active duty for Reserves should be reported as if in regular employment (i.e., Work Status set to "ACTIVE - Actively Working").

USERRA should not be used to report an employee who volunteers to join the Military Service or National Guard. In that case, the Work Status should be “LEAVEN – Any Other Leave Not Listed” or “TRMNTN – Termination” as appropriate.

Academic Requirements
There are no academic requirements for this type of leave.

Length Allowed
The USERRA leave may be granted for an unspecified period of time pursuant to an order into active military service issued on or after July 1, 2013.

Compensation
It is the employer’s decision whether or not to continue to pay all or part of the member’s full contract salary. The reporting of the information does not change based on your decision.

Reporting Requirements
A member must be placed on a non-contributing leave, whether paid or unpaid. No contributions are remitted during the period of the leave. Once the school employee returns to active service, the member may purchase a non-contributing USERRA leave and pays member contributions. The employer will be billed for the employer contributions when the school employee is billed for the member contributions. The employee (member) should be reported to PSERS as follows:

- **Work Status = ACTMLN – Activated Military Leave (Non-Contributing)** When submitting the Contract Record, the Work Status Start Date must equal the first day of the Activated Military Leave as stated in the military documentation. After submitting the ACTMLN Contract Record, your Work Report should reflect the same Work Status.
If the member wants to leave prior to the order’s commencement date, the member may:

- Use the appropriate accrued leave (i.e., sick, vacation, or personal).
- Request unpaid leave, which should be reported as defined in the Any Other Leave Not Listed section for the period prior to the order’s commencement date.

- **Wages** should be reported in the WNC field. The wages should be equal to the employee’s full contract salary.

- **Days or Hours** should be reported based on the time that would have been rendered had the school employee not been on leave.
  - If the school employee was employed with a Wage Type of Per Diem or Salaried, Days should be reported based on the number of days the employee would have worked.
  - If the school employee was employed with a Wage Type of Hourly, Hours should be reported based on the number of hours the employee would have worked.

- **Member Contributions** should **not** be paid by the school employee.

- **Employer Contributions** should **not** be paid by the employer.

When the employee returns to school employment, the employee must provide a copy of the discharge documentation (DD214 – Certificate of Release of Discharge from Active Duty or NGB-22 Report of Separation and Record of Service) to you, the employer, so that you can update the Member Contract Record accordingly. A copy of this documentation must be submitted to PSERS.

**Return Requirements to Receive Service Credits**

After the military service, the member must have returned to employment as specified in 38 U.S.C. 4312 (a). See the summary of rules regarding timeliness of reemployment set forth below:

<table>
<thead>
<tr>
<th>Summary</th>
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<tbody>
<tr>
<td>Period of Absence for Military Leave</td>
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<tr>
<td>Days to Report to Work After Military Leave</td>
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<tr>
<td>Less than 31 days</td>
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<tr>
<td>More than 30, less than 180 days</td>
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<tr>
<td>More than 180 days</td>
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Note: Special rules apply for hospitalized and disabled persons. In addition, PSERS may apply a “reasonableness” rule if the member returns during a time when school is not in session. For example, if the member’s leave ends in late June and the first day of work is in early September, PSERS may deem that as a timely return, or PSERS may treat a Contributing Leave record as a return to school employment.
A member who incurs a break for military service of greater than 5 years (subject to special provisions in §38 U.S.C. 4312(a) and (c)) and then returns to covered service, or a member who does not return to covered employment within the time periods set forth above, is not entitled to USERRA’s protections.

When the employee returns to school employment, the employee must provide a copy of the discharge documentation (DD214 – Certificate of Release of Discharge from Active Duty or NGB-22 Report of Separation and Record of Service) to you, the employer, so that you can update the Member Contract Record accordingly. A copy of this documentation must be submitted to PSERS.

**Subsequent Purchase**
The member must apply to purchase the service within a period equal to the lesser of the following:

- Three times the period of military service
- Five years from the date the leave ended.

For USERRA leaves, the member must also pay for the purchase in full or terminate service within that same time frame. (If the member does not pay in full and does not terminate service, the service purchased is pro-rated manually, per PSERS business rules, based on the amount the member paid.)

The member must submit his or her DD214 form or other proof of service with the Purchase of Service application.

If the member is on a USERRA leave, there is no requirement related to the nature of the discharge.

**Workers’ Compensation Leave**

**Eligibility**
A member who is absent from work while receiving Workers’ Compensation is not eligible to earn or purchase service credit for this time unless the member is/was on an approved Special Sick Leave. See the *Special Sick Leave* section earlier in this chapter for more details on this type of leave.

**Academic Requirements**
Not Applicable

**Length Allowed**
The length of the leave is not defined by the Retirement Code; therefore, it is at the employer’s discretion. PSERS, however, will only allow the member to retain PSERS membership for a period up to 24 months.

**Compensation**
Paid by Workers’ Compensation policy or employer.

**Reporting Requirements**
The employee (member) should be reported to PSERS as follows:
• **Work Status** = WKCMPN – Workers’ Compensation (Non-Contributing) When submitting the Contract Record, the Work Status Start Date should be equal to the first day of the leave of absence. After submitting the WKCMPN Contract Record, your Work Report should reflect the same Work Status.

• **Wages** should *not* be reported in any Wage field.

• **Days or Hours** should be *not* reported.

• **Member Contributions** should *not* be paid by the school employee or deducted by the employer.

• **Employer Contributions** should *not* be paid by the employer.

**Return Requirements to Receive Service Credits**
Not Applicable.

**Subsequent Purchase**
The employee may *not* purchase service time from this leave.

**Any Other Leave Not Listed**

**Eligibility**
An employer may approve a paid or unpaid leave of absence, other than an Approved Leave of Absence, as defined in the PSERS Retirement Code, for any period of time.

Such leave, however, will not allow the member to receive service credit. No work is being performed during this leave and any salary paid by the employer is not retirement-covered compensation. No salary or service is reported to PSERS and no contributions are remitted.

**Academic Requirements**
The academic requirements for this type of leave are not defined by the Retirement Code; therefore, it is at the employer’s discretion.

**Length Allowed**
The length of the leave is not defined by the Retirement Code; therefore, it is at the employer’s discretion. PSERS, however, will only allow the member to retain PSERS membership for a period up to 24 months.

**Compensation**
A paid or unpaid administrative leave (e.g., suspension, contract buyout, maternity leave, etc.) does not meet the criteria for an approved leave of absence under the Retirement Code. The amount of salary you pay the school employee is at the employer’s discretion.
Reporting Requirements
The employee (member) should be reported to PSERS as follows:

- **Work Status** = LEAVEN – Any Other Leave Not Listed (Non-Contributing) When submitting the Contract Record the Work Status Start Date should be equal to the first day of the leave of absence. After submitting the LEAVEN Contract Record, your Work Report should reflect the same Work Status.
- **Wages** should not be reported in any Wage field.
- **Days or Hours** should be not reported.
- **Member Contributions** should not be paid by the school employee or deducted by the employer.
- **Employer Contributions** should not be paid by the employer.

Return Requirements to Receive Service Credits
Not Applicable.

Subsequent Purchase
The employee may not purchase service time from this leave.

Reporting Sick, Vacation, and Personal Leave
Payments for used leave (e.g. sick, vacation, personal) are retirement-covered compensation and should be reflected in the service credits and compensation reported for a member. If the employee was expected to report to work and substituted a sick, vacation, or personal leave day(s), then the wages are considered as retirement-covered compensation. Report this type of pay in the same wage field (i.e., Base or WNC) as you reported the non-leave days and report the associated contributions in the Contributions field if applicable. Report service time for this payment in the Days or Hours field. While the employee is using the accrued sick, vacation, or personal leave, the Contract Record should remain as “ACTIVE - Actively Working.”

Payments for unused leave whether as a lump sum or as part of periodic payments do not qualify as retirement-covered compensation. If the employee was in a ‘non-working’ status and is paid wages for sick, vacation, or personal leave day(s), then the wages are considered as non-retirement covered compensation.

These sick, vacation, and personal leave earnings are not considered retirement-covered compensation:

- Wages paid to reimburse an employee for the unused accumulated sick, vacation, and/or personal leave days
• Wages paid as a day of work for accumulated sick, vacation, or personal leave while an employee is receiving Workers’ Compensation

• Wages paid as a day of work for accumulated sick, vacation, or personal leave while an employee is being reported to PSERS on a non-contributing leave of absence

• Wages paid as an “extra” day of work (e.g., Principal’s salary is contracted for 240 days and if he works instead of taking leave, the salary received for the “extra” days worked is not retirement-covered compensation.)

Normally, non-retirement covered compensation is not reported to PSERS. If you wish to report non-retirement covered compensation, this type of pay must be reported in the NRCC field. The associated service days and hours should not be reported to PSERS.

Bottom line:
• If the employee was expected to report to work and substituted a sick, vacation, or personal leave day(s), then the wages are considered retirement-covered compensation.

• If the employee was in a ‘non-working’ status and is paid wages for sick, vacation, or personal leave day(s), then the wages are considered non-retirement-covered compensation.

Reporting an Employee on Leave
Now that you have determined the type of leave information to be reported, submit a Member Contract Record that indicates the type of leave and the date the leave began. Make sure to complete the salary, contribution, and service unit reporting for the period prior to the commencement of the leave. The Work Report that covers the period of time that bridges the end of the previous Work Status (e.g., Active, etc.) and the initiation of the Leave of Absence Work Status should include any salary, contribution, and service unit information for the period prior to the commencement of the Leave of Absence. If the employee starts in the middle of a month, the Work Report Record(s) for that month should include BOTH the information (wages, contributions, and service time) from the leave and the information from the work. The Work Status value in the Work Report should equal the Work Status at the end of the month. **Note:** If the leave of absence is for **less than** one pay period, you do **not need** to submit a new contract record. If the leave of absence is **equal to or greater than** one pay period, you **must** report the school employee’s leave of absence as defined previously.

After you submit a Member Contract Record, you must continue to report employees on leave EVERY MONTH, unless the Work Status is equal to LEAVEN (Any Other Leave Not Listed) or WKCMPN (Workers’ Compensation). You should not report any salary/wages and service units while a school employee is on LEAVEN or WKCMPN.

In each Work Report Record you submit for the employee, the Work Status must match the type of leave specified in the Member Contract Record that you created to initiate the leave.
• **Earned Leave Paid While on a Non-Contributing Leave:** You must **not** report any payment for used Annual, Personal, Sick Leave, or Leave from an employer Sick Leave Bank that is paid to an employee who is on a **non-contributing leave**. See Chapter 8: “Retirement-Covered Compensation” for more details on reporting earnings for annual, personal, and sick leave while on a leave of absence.

**Working While on Leave of Absence**

A member on an approved leave **may not** count additional earnings as retirement-covered compensation if the employment occurred during the normal work hours and months of the primary position.

**Example 1:** A member’s primary position requires 10 months of employment with normal work hours from 7:30 a.m. to 3:30 p.m. During the member’s approved leave, an employer asks the member to return to the classroom at some point during the 10-month period to provide instruction during the employee’s regularly-scheduled work hours. This member is not eligible to include the earnings as retirement-covered compensation.

A member on an approved leave **may** count earnings as retirement-covered compensation if the work occurred outside of normal work hours or at other times during the year.

**Example 2:** A member’s primary position requires 10 months of employment with normal work hours from 7:30 a.m. to 3:30 p.m. An employer asks the member to return to the classroom to provide evening instruction. *This member is eligible to include the earnings as retirement-covered compensation.*

**Example 3:** A member’s primary position requires 10 months of employment with normal work hours from 7:30 a.m. to 3:30 p.m. An employer asks the member to work during the summer to write curriculum from July 15 to July 30. This member is eligible to include the earnings as retirement-covered compensation.

**Example 4:** A member is hurt at work. She begins Workers’ Comp leave of absence. The employer does not grant the member Special Sick Leave so the employer reports the leave of absence as Workers’ Comp Non-Contributing (WKCMPN). After two months of leave, the member’s doctor permits her to return to work part time. She will return to part-time work in the morning and continue her Workers’ Comp leave during the afternoon. The employer would report the salary earned and the prorated days worked during her morning shift. The employer would not report any of the salary or associated prorated service for the Workers’ Comp time.
When the Employee Returns from Leave
When an employee returns from leave, submit a new Member Contract Record for each position the employee resumes. You do not need to end date the leave Contract Record, the system will automatically place the End Date in the leave record upon the receipt of the new Member Contract Record. If the employee returns in the middle of a month, the Work Report Record(s) for that month should include BOTH the information (wages, contributions, and service time) from the leave and the information from the work. The Work Status value in the Work Report should equal the Work Status at the end of the month. Future Work Reports should include only records for the work that has been resumed. See Chapter 4: “Member Contract Record” for more information.

When the Employee Does NOT Return from an Approved Leave of Absence
Submit a Member Contract Record with the Work Status set to “TRMNTN – Termination” and the Work Status Start Date set to the date of termination. Set the BOC Flag, Outstanding Service Credit Flag, and BOC/Svc End Date fields to indicate any remaining payments or service to be reported. See Chapter 4: “Member Contract Record” for more information.

If an employee does not fulfill the return to service obligations required to retain the Approved Leave of Absence, you may request a credit for the Employer Contributions you paid during the leave. You will also receive credit for the employee’s Member Contributions, if any. You are responsible for refunding these contributions to the employee. The credit will be issued after the final Work Report of the fiscal (school) year is submitted to PSERS. To request a credit, see Chapter 13: “Refund of Employer Retirement Contributions” for instructions.

Understanding Reporting with Suspensions and Terminations

Employer Reporting in Cases of Termination
Employers and school employees may part ways for a variety of reasons. We (the employer, the school employee, and PSERS) are faced with additional challenges when the termination results from alleged misconduct.

Whenever termination occurs, the employer communicates this to PSERS by submitting a Contract Record:

- Set the Work Status to TRMNTN (termination).
- Set the BOC and Service flags to indicate the last month of work reporting.
- Submit a BOC Svc Rpt date, if applicable, indicating that the employee has ended ALL employment with you. Include the date which PSERS will receive all salary and service information for this employee. The example below is a view of the Contract Record from our perspective:
If the employee believes that the termination is wrongful but it is found that the employee was terminated properly, there would be no further action taken by you as the employer. If it is determined that the termination was unjust or the employer/school employee enters into a settlement agreement, the terms of the settlement agreement may include restoring the member’s account with PSERS, as determined by PSERS.

The account can only be restored if the salary, contributions, and service are reinstated as if the termination never occurred. The adjustment on the account must represent the difference between what was actually reported to PSERS and the amount of salary, contributions, and service the member would have earned had the employee not been terminated.

Chapters 8: “Retirement-Covered Compensation” and 11: “Reporting – Work Report Adjustments” explain the process in more detail. If you need help, please do not hesitate to contact your ESC Representative.

Regarding Suspension and Leave of Absence
Sometimes, the allegations only warrant a suspension while the facts are being investigated. If the suspension is for less than a pay period, you do not need to submit a new contract record pending the outcome of the investigation. If the suspension is equal to or greater than one pay period, you must report the school employee’s leave of absence as an administrative leave of absence. Because an administrative leave is not an approved leave of absence under the Retirement Code, you need to submit a Contract Record with a Work Status of LEAVEN (Any Other Leave Not Listed [Non-Contributing]). The Start Date of the LEAVEN Contract Record should be equal to the school employee’s first day of suspension. If the employer is paying the employee, the salary should be reported to PSERS in the NRCC (Non-Retirement Covered Compensation) column of the Work Report.

If the investigation results in the member being terminated, then you will submit a Contract Record with a Work Status of TRMNTN. The TRMNTN Contract Record will automatically end date the LEAVEN Contract Record with the day before the TRMNTN Start Date.

If it is determined that the suspension was valid but termination is not warranted, then no adjustment would be made to the member’s record. Any salary or wages paid to the member for the period that the member did not work while on administrative leave is not retirement-covered compensation and is not reportable to PSERS.
If the employer determines the allegations were unjust or unfounded, then you need to reverse the NRCC reporting, cancel the LEAVEN Contract Record, open the ACTIVE Contract Record, and submit a Work Report Adjustment for all salary, contributions, and service the member would have earned during the period of administrative leave.

The following examples illustrate the proper procedure in the initial reporting of an administrative leave and then the proper steps to make an employee’s account whole after determining the allegations were unfounded and the administrative leave was unjust.

**Table #1:** This example is of a paid administrative leave that is less than one full pay period. The table below illustrates a 10-month employee, paid over 12 months. A full year was worked and reported without incident.

<table>
<thead>
<tr>
<th>Table #1</th>
<th>Work Status</th>
<th>Base</th>
<th>Service Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep</td>
<td>ACTIVE</td>
<td>$3,550.00</td>
<td></td>
</tr>
<tr>
<td>Oct</td>
<td>ACTIVE</td>
<td>$3,550.00</td>
<td></td>
</tr>
<tr>
<td>Nov</td>
<td>ACTIVE</td>
<td>$3,550.00</td>
<td></td>
</tr>
<tr>
<td>Dec</td>
<td>ACTIVE</td>
<td>$5,325.00</td>
<td></td>
</tr>
<tr>
<td>Jan</td>
<td>ACTIVE</td>
<td>$3,550.00</td>
<td></td>
</tr>
<tr>
<td>Feb</td>
<td>ACTIVE</td>
<td>$3,550.00</td>
<td></td>
</tr>
<tr>
<td>Mar</td>
<td>ACTIVE</td>
<td>$3,550.00</td>
<td></td>
</tr>
<tr>
<td>Apr</td>
<td>ACTIVE</td>
<td>$3,550.00</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>ACTIVE</td>
<td>$3,550.00</td>
<td></td>
</tr>
<tr>
<td>Jun</td>
<td>ACTIVE</td>
<td>$5,325.00</td>
<td>180</td>
</tr>
<tr>
<td>Jul</td>
<td>ACTIVE</td>
<td>$3,550.00</td>
<td></td>
</tr>
<tr>
<td>Aug</td>
<td>ACTIVE</td>
<td>$3,550.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$46,150.00</strong></td>
<td><strong>180</strong></td>
</tr>
</tbody>
</table>

**Table #2:** This example is of an administrative leave that is greater than a full pay period (15 days). The table below illustrates a 10-month employee, paid over 12 months. During the months of March and April, the employee was suspended. The salary paid to the member while on administrative leave is to be reported in the NRCC field on your Work Report. The Service Days are reduced by the length of the administrative leave.

The highlighted rows illustrate how you would adjust the record to reverse the effects of the administrative leave because the investigation determined the allegations were unfounded.

The salary and service that would have been earned in the 15-day suspension must be returned to the member’s account through a Work History Adjustment (WHA). *Note: A settlement agreement is not necessarily the same as finding the allegations to be unjust or unfounded. All Settlement Agreements are evaluated under different criteria. See Chapter 8: “Retirement Covered Compensation” for more details on Settlement Agreements.*
Table #2

<table>
<thead>
<tr>
<th>Work Status</th>
<th>Base</th>
<th>Service Days</th>
<th>NRCC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep</td>
<td>ACTIVE</td>
<td>$3,550.00</td>
<td></td>
</tr>
<tr>
<td>Oct</td>
<td>ACTIVE</td>
<td>$3,550.00</td>
<td></td>
</tr>
<tr>
<td>Nov</td>
<td>ACTIVE</td>
<td>$3,550.00</td>
<td></td>
</tr>
<tr>
<td>Dec</td>
<td>ACTIVE</td>
<td>$5,325.00</td>
<td></td>
</tr>
<tr>
<td>Jan</td>
<td>ACTIVE</td>
<td>$3,550.00</td>
<td></td>
</tr>
<tr>
<td>Feb</td>
<td>ACTIVE</td>
<td>$3,550.00</td>
<td></td>
</tr>
<tr>
<td>Mar</td>
<td>LEAVEN</td>
<td>$1,775.00</td>
<td>$1,775.00</td>
</tr>
<tr>
<td>Apr</td>
<td>ACTIVE</td>
<td>$2,662.50</td>
<td>$887.50</td>
</tr>
<tr>
<td>May</td>
<td>ACTIVE</td>
<td>$3,550.00</td>
<td></td>
</tr>
<tr>
<td>Jun</td>
<td>ACTIVE</td>
<td>$5,325.00</td>
<td>165</td>
</tr>
<tr>
<td>Jul</td>
<td>ACTIVE</td>
<td>$3,550.00</td>
<td></td>
</tr>
<tr>
<td>Aug</td>
<td>ACTIVE</td>
<td>$3,550.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$43,487.50</strong></td>
<td>165</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WHA</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>WHA</td>
<td></td>
<td>$2,662.50</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$46,150.00</strong></td>
<td>180</td>
</tr>
</tbody>
</table>

**Contract History Activity to Support the Administrative Leave**
Add a LEAVEN Contract Record with a Start Date equal to the first day of administrative leave in March. Upon the approval of the LEAVEN Record, the ACTIVE Contract Record will be End Dated with the day before the LEAVEN Start Date automatically.

**Contract History Activity to Support the Reversal of the Administrative Leave**
You will need to cancel the LEAVEN Contract Record by entering an end date and ask your ESC Representative to open the ACTIVE contract.

In conclusion, as administrative leaves become more common, it is important that all employers know what to do if these leaves are found to be unjust or if a settlement agreement was reached that reversed the leave. The employee account must be restored to the state it would have been in had the administrative leave not taken affect. If a settlement is reached in which the employee receives additional compensation beyond the base salary and service, it is NOT retirement-covered compensation. Contributions should NOT be withheld from the funds; these funds should be reported to PSERS under the NRCC field.
Quick Reference Guide

Assessing PSERS Leave of Absence Reporting Rules

1. Is the leave of absence granted to your school employee listed below?
   - Special Sick Leave
     - School Sponsored Disability Insurance
     - Workers’ Compensation
   - Sabbatical Leave
   - Professional Study Leave
   - Activated Military Leave
   - Exchange Teacher Leave
   - Collective Bargaining Leave
   a. If no, follow the Any Other Leave Not Listed (a.k.a. LEAVEN) guidelines for reporting the school employee’s wages, contributions, and service units.
   b. If yes, answer the next question.

2. Does the school employee meet the requirements for the leave of absence to be considered retirement-covered compensation?
   a. If no, follow the Any Other Leave Not Listed (a.k.a. LEAVEN) guidelines for reporting the school employee’s wages, contributions, and service units. If leave of absence type is Workers’ Compensation, then follow the Workers’ Compensation (a.k.a. WKCMPN) guidelines for reporting the school employee’s wages, contributions, and service units.
   b. If yes, answer the next question.

3. Is the leave of absence type other than Sabbatical or Collective Bargaining Leave?
   a. If no, follow the Sabbatical or Collective Bargaining Leave guidelines for reporting the school employee’s wage, contributions, and service units.
   b. If yes, answer the next question.

4. Are you agreeing to the financial obligations (if applicable) whether it is during the leave of absence or as a purchase of service after the school employee’s return to service?
   a. If no, follow the Any Other Leave Not Listed (a.k.a. LEAVEN) guidelines for reporting the school employee’s wages, contributions, and service units.
   b. If yes, answer the next question.

5. Are you and the school employee willing to deduct, report, and remit contributions during the leave of absence?
   a. If no, follow the reporting guidelines for leaves of absence Work Statuses that end in “N” except for the Work Status LEAVEN and WKCMPN.
   b. If yes, follow the reporting guidelines for leaves of absence Work Statuses that end in “C”.

### Quick Reference Chart - Eligibility Requirements for Approved Leaves of Absence

#### APPROVED Leaves of Absence

<table>
<thead>
<tr>
<th></th>
<th>Activated Military</th>
<th>Collective Bargaining</th>
<th>Exchange Teacher</th>
<th>Professional Staff</th>
<th>Sabbatical for Professional Development</th>
<th>Sabbatical for Research or Health</th>
<th>Sabbatical for Other Purposes</th>
<th>Special Sick Leave</th>
<th>USERRA</th>
<th>Nonmerit Commissions</th>
<th>Merit Commissions</th>
<th>Any Other Not Listed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Eligibility</strong></td>
<td>Member for leaves from 7-1-1992 until leaves beginning prior to 7-1-2013</td>
<td>Member</td>
<td>Professional member</td>
<td>Member</td>
<td>Professional member or member of the supervisory, instructional or administrative staff with 10+ years Pennsylvania service AND 5+ years in the school district. 7 additional years for each subsequent sabbatical</td>
<td>Member</td>
<td>Member for leaves beginning on or after 7-1-2013***</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Length Allowed</strong></td>
<td>Any, any, but service must be full-time</td>
<td>Any, but service must be full-time</td>
<td>Any, but service must be full-time</td>
<td>Any, but service must be full-time</td>
<td>Any, but service must be full-time</td>
<td>Any, but service must be full-time</td>
<td>Any, but service must be full-time</td>
<td>One full school year or one half school year OR two half school years within a 24-month period</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Compensation</strong></td>
<td>Paid or unpaid</td>
<td>Paid or unpaid</td>
<td>Paid or unpaid</td>
<td>Paid or unpaid</td>
<td>Paid or unpaid</td>
<td>Paid or unemployed</td>
<td>50% or more of contracted salary</td>
<td>50% or more of contracted salary</td>
<td>Paid or unpaid</td>
<td>Paid or unpaid</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Member Contributions</strong></td>
<td>Optional</td>
<td>On 100% of contracted salary</td>
<td>On 100% of contracted salary or none</td>
<td>On 100% of contracted salary or none</td>
<td>On 100% of contracted salary or none</td>
<td>On 100% of contracted salary or none</td>
<td>On 100% of contracted salary or none</td>
<td>None</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Employer Contributions</strong></td>
<td>On 100% of contracted salary</td>
<td>On 100% of contracted salary</td>
<td>On 100% of contracted salary or none</td>
<td>On 100% of contracted salary or none</td>
<td>On 100% of contracted salary or none</td>
<td>On 100% of contracted salary or none</td>
<td>On 100% of contracted salary or none</td>
<td>None</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Academic Requirements</strong></td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Return Required to Receive Service Credit</strong></td>
<td>Yes - 1 day</td>
<td>No</td>
<td>Yes - lesser of length of the leave or one year or may be waived by the employer</td>
<td>Yes - lesser of length of the leave or one year or may be waived by the employer</td>
<td>Yes - one school term, unless unable to due so due to illness, disability or death</td>
<td>May NOT be waived by employer</td>
<td>No if contributing leave; Yes if non-contributing and wish to make a subsequent purchase</td>
<td>Yes - 1 day</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subsequent Purchase Possible</strong></td>
<td>Yes - must return within 90 days to be eligible to make the purchase. Member pays contributions</td>
<td>No</td>
<td>Yes - member pays both employer and member contributions</td>
<td>Yes - member pays both employer and member contributions</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes - employer and member each pay contributions</td>
<td>Yes - must return within 90 days to be eligible to make the purchase. Employer and member each pay contributions</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td><strong>Work Status Codes</strong></td>
<td>ACTMLN</td>
<td>UNICPC</td>
<td>EXCHG</td>
<td>EXCHG</td>
<td>STUDY</td>
<td>STUDY</td>
<td>SABTLC</td>
<td>SABTLC</td>
<td>SABTLC</td>
<td>50LSCC, 50LCUCC, 50LSON, 25LSCW</td>
<td>ACTMLN</td>
<td>WKCMN</td>
</tr>
</tbody>
</table>

* A member who does not normally work during the summer does not have to return until the start of the next school year.

** The bargaining unit reimburses the district for the full amount of compensation and all benefits including employer contributions.

*** Orders initiated prior to 7-1-2013, but extended after 6-30-2013, remains Activated Military leave.