

2021 Spring Workshop: **Leaves of Absence** and Reporting Reminders

- Presented by PSERS Employer Service Center
- May 2021

Welcome to the 2021 Spring Workshop!

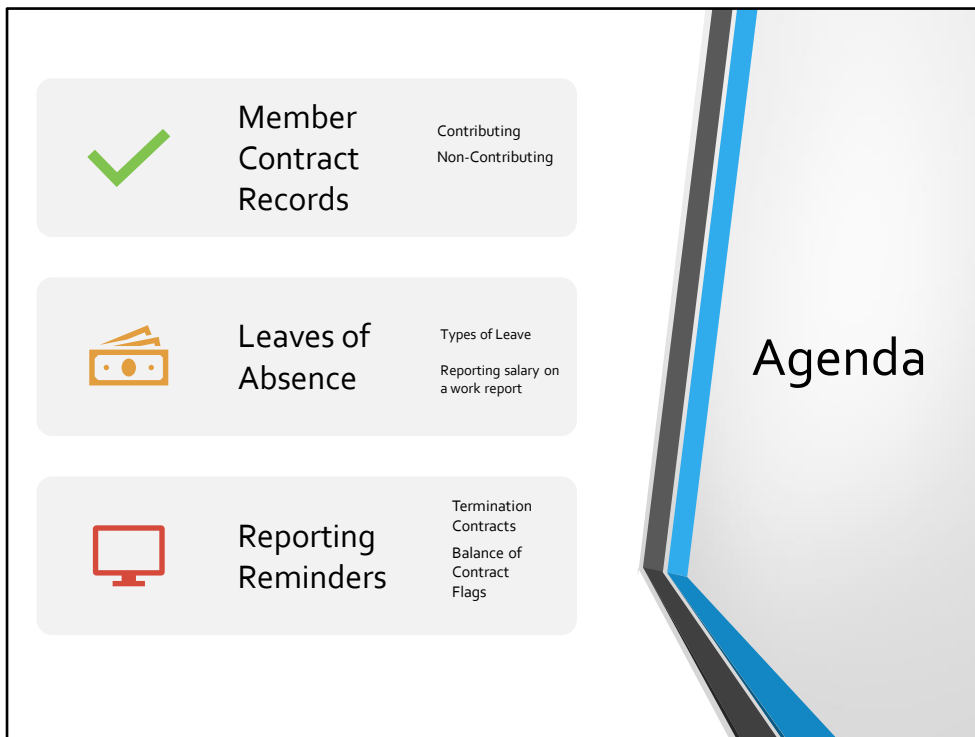
Introduction

- Welcome to the annual Employer Spring Workshop
- This year our primary focus will be on reporting leaves of absence



Thank you for taking time out of your busy schedule to attend our workshop. The primary focus of today's session will be to explain the different types of leaves of absence, the creation of the proper contract records, and how to appropriately report salary, contributions, and service units. **We would much rather be in person to share this information and interact with you. We have added knowledge checks so you can participate in today's presentation. They will be at the end of each section. Please type your answer in the chat window. Thank you for playing along with us.**

And remember, additional information regarding all Leaves of Absence, can be found in Chapter 10 of the *Employer Reference Manual*.



Our agenda for today is going to cover:

- Member Contract Records associated with leaves of absence and the difference between contributing and non-contributing leaves.
- The types of leaves of absence available that a member may use and how to reporting the salary and service for those specific types of leave.
- We will discuss the actions you need to take when the member returns to work from a leave or terminates employment without returning. In rare circumstances it may be necessary to extend the leave, so we will explain what happens in that situation.
- Finally, we will explain some common reporting issues that we see such as reporting balance of contract for terminated members and work for summer months.



Let's start with a brief overview of member contract records relating to leaves. Contract records define the status or position in which an employee works. You must provide at least one member contract record for each eligible school employee so you are able to accurately report the salary and service rendered by each employee. Most of your employees are in an active status. But sometimes employees need to take time away from their work, which is when a leave of absence contract record is necessary.

Contract Record Leave Codes

- **When?**
 - Less than one pay period
 - More than one pay period
- **Is the Leave an Approved Leave?**
 - A member can earn service credit only under an approved leave of absence.
- **Which Leave Code to use:**
 - Contributing- Codes ending in "C"
 - Non-contributing- Codes ending in "N"



When your school administration grants a school member a leave of absence, you need to determine a few things before you report any information to PSERS: If the leave period is less than one pay period, for administrative ease, a contract record does not need to be entered. If, however, the leave period extends beyond one pay period, then a contract record must be entered placing the member on a leave.

Is the leave an "Approved Leave of Absence" as defined by the Retirement Code? An "Approved Leave of Absence" under the Retirement Code and Board policy includes only a leave of absence for activated military service, sabbatical leave, service as an exchange teacher, service with a collective bargaining organization, professional study, and Special Sick Leave.

With certain leaves you and the member must decide whether or not to pay contributions up front or have the member purchase the leave upon the member's return to the work for the employer. There are two leave codes to use when reporting any of the leaves: contributing or non-contributing. The difference in the two leave codes is that a contributing leave requires the member and the employer to continue to pay contributions while on the leave, which will allow the member to immediately receive PSERS credit without having to request a purchase of service for the leave upon their return. For non-contributing leaves, the member and employer do not to pay contributions while the member is on the leave, but salary and service must still be reported. Then when the member returns to work, they may choose to purchase

the leave.

There are considerations when selecting a contributing vs. non-contributing leave. If the member is not receiving full salary during the leave, then it may be a financial hardship for them to pay member contributions on their full salary. When the member returns to work, they may choose to purchase the leave at a time that may be more financially convenient for them to do so. Reporting compensation on a contributing leave will be discussed later in this presentation.

Remember, a contributing leave ends in a C and the non-contributing leaves end in N, so the correct contract record must be selected for the leave when it is reported to PSERS. An incorrect leave code may result in the member receiving or not receiving the correct service credit.

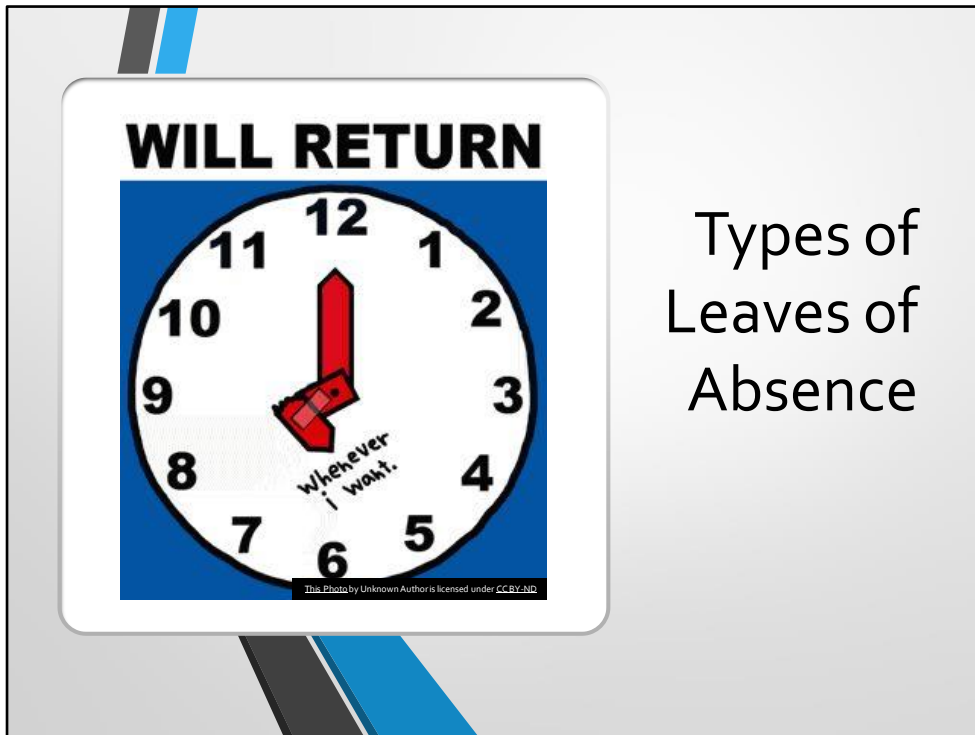


When you are creating a contract record for a member’s leave of absence, the start date of the record must be equal to the day the leave begins. This will be true of all the leaves we cover today.

Upon returning from the member’s leave of absence, the system will automatically end date the record when you submit the next Contract Record.

- If you are submitting an ACTIVE Contract Record, the end date of the Leave Contract Record will be the day before the Start Date of the ACTIVE Contract Record.
- If you are submitting a termination Contract Record, the end date of the Leave Contract Record will be the same day as the Start Date of the Termination Contract Record.

If you discover you have entered a record out of order, please contact your ESC Rep so they can help you correct the account. You do not need to end date the leave of absence Contract Record. Because our pension administration system automatically updates records based on the information you submit to PSERS, it is important to remember the proper order of operation and take action in chronological order.



Types of Leaves of Absence

There are various contributing and non-contributing leaves of absence. Some can only be contributing, some must be non-contributing, while others you and the member can choose whether or not to make contributions during the leave. Because all contributing leaves are reported the same and all non-contributing leaves are reported the same, once you learn how to report one of each type, you will know how to report them all.

Throughout the next slides, we will review the different leave types, identify them as contributing or non-contributing, describe the types of leave and what they are used for, as well as how to report them.

**Leave
Contract
Record
Codes**

CONTRACT WORK STATUS

- **SABTLC – Sabbatical**
- UNIONC-Union Leave
- SSLSSC/SSLSSN-Special Sick Leave-School Sponsored
- SSLWCC/SSLWCN-Special Sick Leave Workers Compensation
- EXCHGC/EXCHGN-Exchange Teacher Leave
- STUDYC/STUDYN-Professional Study Leave
- ACTMLN-Activated Military Leave
- LEAVEN
- WKCMPN

Now we are going to go through each of the difference leave options, both contributing and non-contributing and the rules associated with each.

The most common contributing leave type is a Sabbatical.



An active professional member or a member of the supervisory, instructional, or administrative staff is eligible for an approved sabbatical leave. Sabbaticals are used for one of two reasons.

The first is for professional development. This must be used for academic enrichment and must be directly related to the responsibilities and duties of the position that the member holds at their current employer.

The other is for a restoration of health. Both types must be approved by the school board and they both require certain criteria be met before they can be granted.

Sabbatical Leave Eligibility Requirements

- Must have rendered 10 or more years of credited service with 5 of those years being earned consecutively at the district granting the sabbatical
- Identify the parameters of the sabbatical with documentation prior to approval
- Complete a plan of study for a sabbatical granted for professional development
- Must render a minimum of seven (7) additional years of service before a subsequent sabbatical may be granted

To be eligible for either type of sabbatical, a member must have 10 or more years of service with at least five of them earned consecutively with the current employer from which the leave is taken. The type of sabbatical leave selected must be identified before seeking school board approval and documentation supporting the sabbatical type chosen must be provided. Also, once the leave type has been determined the reason for it cannot be changed during the sabbatical. We will have an example of this in a later slide.

You will note that there needs to be **at least seven additional years of service accrued after the completion of a sabbatical before a subsequent sabbatical may be granted.**

Sabbatical for Professional Development

Academic Requirements:

- The leave must be directly related to the member's professional responsibilities
- Improve on the skills for the position the member currently holds
- A plan of study for a sabbatical leave for professional development consists of:
 - One full school term – 18 graduate credits, 24 undergraduate credits, or 360 hours of professional development
 - One half school term – 9 graduate credits
 - One half school term- 12 undergraduate credits or 180 hours professional development

A sabbatical for professional development must be directly related to the member's current professional responsibilities, which cannot be changed or modified during the sabbatical. For example, if someone is injured while on sabbatical, the reason for the sabbatical remains for professional study. The member must complete the requirements of the sabbatical or it will not count as PSERS service credit.

This type of sabbatical is intended to allow a member to improve on their job knowledge 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:

- 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.

Health Restoration Sabbatical

- Leave for health reasons
- Must meet all the sabbatical requirements
 - Board approved
 - 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
 - At least seven additional years of service before a subsequent sabbatical may be granted
- If unable to return due to health reasons, the member may retain credit for the sabbatical.

The other type of sabbatical is a health restoration sabbatical. The eligibility requirements are the same except for requiring an academic plan of study. Another difference between a sabbatical for professional development and a health restoration sabbatical is, if the member is unable to return to work due to the existing health condition, then the member may be excused from returning and can still retain retirement credit for the leave. We'll discuss the return requirement in a moment.

Sabbatical Leave Length



- One half school term
- One full school term
- Two half school terms within 24 months

Sabbatical leaves can be for one half of a school term or one full school term. The member may also split the sabbatical into two half-year time periods but the member must complete both halves within a 24-month period. An extension of a sabbatical may be approved at the discretion of the school board, but only in the increments as originally approved. For example, 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 for up to a total of two school terms.

Let's take a look at a split sabbatical example.

Split Sabbatical Examples

	Spring 2022	Fall 2022	Spring 2023	Fall 2023
Split between two Spring semesters	Sabbatical	Working	Sabbatical	Working
Split over two Fall semesters	Working	Sabbatical	Working	Sabbatical
Split over two years	Sabbatical	Working	Working	Sabbatical

This chart is to help simplify how a split sabbatical can work. It can be split between two spring semesters, two fall semesters, or can occur in the spring semester and then in the fall semester of the following year. Two half term sabbaticals could span over 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.

Reporting During a Sabbatical

- The start date is the date the leave started.
- An employer, must pay 50% or more of the contracted salary
- Employer reports the actual amount paid to the member under base AND the unpaid portion totaling 100% of contracted salary each month
- The employer and member pay contributions on 100% of the contracted salary
- Members are considered to be in regular attendance during the period of the leave and service is reported accordingly

The start date of the leave should be the date the leave started. Moving forward in your reporting, the work status on your work report must match that of the sabbatical leave contract record or you will receive an invalid row error message and will not be able to report that member.

When a member is on a sabbatical, they must be paid at least 50% of their contracted salary. The employer may choose to pay a higher percentage.

As you will see later in our reporting examples, when reporting the sabbatical, the employer must report the full contracted salary to PSERS. The amount the employer is paying the member will go in the base column, the remaining amount that equals their full contracted salary will go in the URCC column of the work report.

Member and Employer contributions are paid based on the amount of salary reported between these two columns of the work report.

When reporting salary, the school will also need to report the service for the member. If the member is a salaried wage type, the service can be reported at the end of the sabbatical, or in June like normal. If the member is a Per Diem or Hourly wage type, service needs to be reported each month along with the salary, just like when they are active.

Return Requirements for a Sabbatical

- The member must return to the employer for at least the amount of the sabbatical.
 - If a member returns for less than a school term, then PSERS calculates proportional service credit.
- Exceptions:
 - The member cannot return due to illness, disability, or death.
 - The member is prevented from returning by the employer.
- There may not be any pre-arrangement with the member not to return to active service following the sabbatical leave.



To retain service credit for the period of the sabbatical, a member must return to the employer that granted the sabbatical leave for a period equal to at least one school term immediately following the end of the leave. PSERS defines the school term as 180 days, regardless of the fiscal year or the number of days the member is contracted to work. If the member only returns for a portion of time that does not equal the length of the sabbatical, their credited service will be prorated based on the amount of time they actually returned to work following the sabbatical. The member must also provide evidence to the school that the pre-approved plan of study was completed.

Members who do not ordinarily work over the summer months are not expected to return until the start of the next school term.

If the member does not return for at least one school term, the member will be permitted to retain the full sabbatical credit if:

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

A pre-arrangement with the member not to return to active service following the sabbatical leave will result in the removal of service credit with PSERS for the sabbatical.

Knowledge Check!

Grace is currently on a half year health restoration sabbatical. While out walking her dog, Winston, she tripped over the leash, fell, and broke her leg. She now needs surgery.

Can Grace extend her health restoration sabbatical?



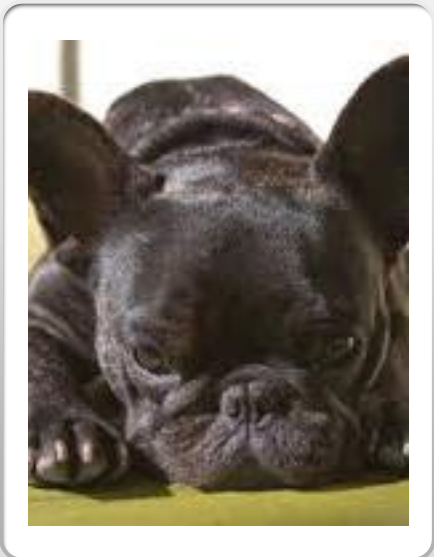
Knowledge check –

Grace is currently on a half year health restoration sabbatical. While out walking her dog, Winston, she tripped over the leash, fell, and broke her leg. She now needs surgery.

Can Grace extend her health restoration sabbatical?

Answer:

Yes, she can extend the health restoration sabbatical while she recovers from surgery.



Great answers!

The answer is: Yes, she can extend the health restoration sabbatical while she recovers from surgery.

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).

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The next leave we will be covering is the Collective Bargaining Unit Leave, or UNIONC leave which is another type of leave that is solely contributing.

UNIONC- Collective Bargaining Unit Leave

- A **full-time** leave for service with a collective bargaining organization may be approved for an unspecified period of time.
- Employer reports the member's full contracted salary as a school employee.
- Employer **must** be reimbursed by the collective bargaining organization for the member's salary, including all benefits.
- Employer must be reimbursed by the collective bargaining organization for the full employer PSERS contributions.

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 must report the member to PSERS at the member's full contracted salary. The employer is to report and remit full member and employer contributions only on the salary the member would have earned as a school employee, 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 full amount of the employer contributions. The Commonwealth does not reimburse the employer for members reported on a leave with a collective

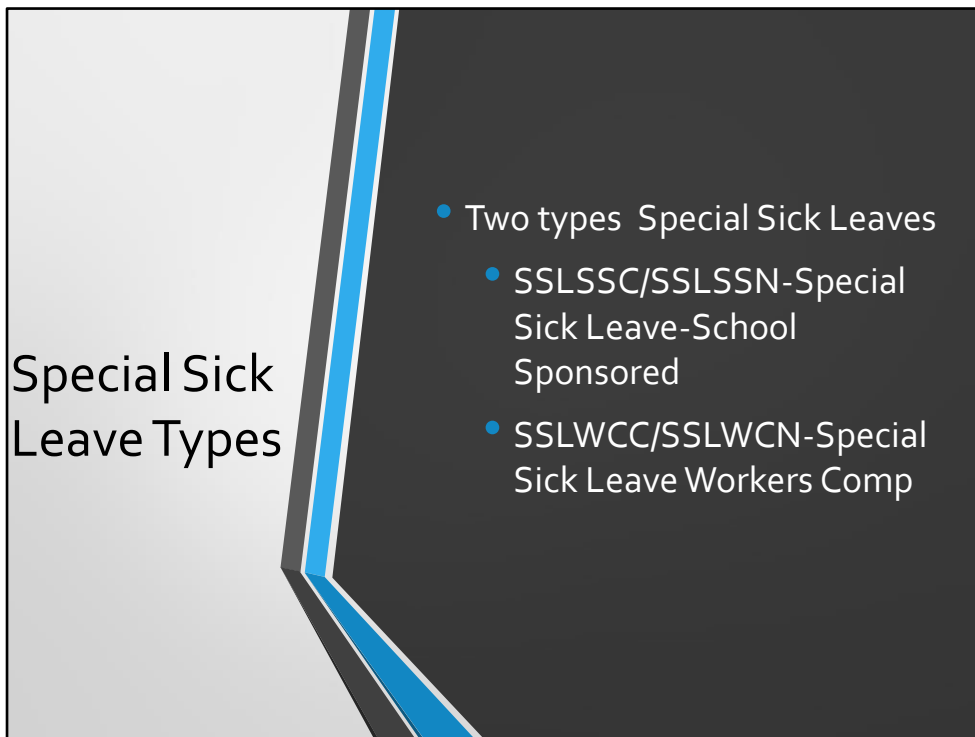
bargaining.

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The next few leaves can be contributing or non-contributing, depending on the agreements reached by the member and employer. We will start with Special Sick Leaves.



Special Sick Leave can be approved for any illness or physical condition that prevents a member from performing their job. Such leave can be contributing or non-contributing. There are two types of Special Sick Leave.

Special Sick Leave School Sponsored means that the employer is paying the member at least 50% of their base salary, or the employer is paying for an income protection benefit for the member as part of their benefits package.

Special Sick Leave Workers Comp means that the member is receiving workers compensation during the leave equal to 50% of their base salary.

Special Sick Leave Eligibility

- Special Sick Leave (SSL) can be used for any illness or physical condition that prevents the member from performing his or her job.

Requirements:

- The leave must be approved by the employer.
- The member must receive at least 50% of their contracted salary.
- Both the member and the employer must pay retirement contributions based upon the full contracted salary.
- The leave must be limited to one year, per occurrence.

An SSL can be used for any illness or physical condition that prevents the member from performing his or her job. A member may receive service credit for Special Sick Leave, contributing or non-contributing, if all the following conditions are met:

1. The leave must be approved by the employer. The approval is at the discretion of the board.
2. The member must receive at least 50% of their contracted salary during the leave through salary, workers' compensation, or other disability insurance paid by the employer. A member's own 3rd party insurance will not qualify as part of the 50% for this type of leave.

3. Both the member and the employer must pay retirement contributions based upon the full contracted salary.
4. The leave must be limited to one year per occurrence.

Special Sick Leave Eligibility Continued:

- A member may be granted more than one SSL but each leave cannot extend beyond one calendar year.
- A second occurrence would not qualify if the member is already on a SSL. There must be at least a day in between the leaves. This applies to both contributing and non-contributing leaves.
- A formal sick leave bank or donation of accrued sick leave may also meet the requirements of a Special Sick Leave.

Because SSL is for any illness or physical condition, a member may be granted more than one SSL. This applies to both contributing and non-contributing leaves.

Special sick leaves are allowed for 1 year. They cannot be extended, for a second special sick leave to be taken, the member must return to the school for at least one day before being granted an additional special sick leave.

An employer may also create a formal sick leave bank, which is a specific number of days for use by any employee or a donation by other employees of their accrued sick leave. Such payments would meet the requirements of a Special Sick Leave and may be reported under an SSL or, for ease of administration, as active service, similar to reporting for a payment for a used sick day.

Contributing Special Sick Leave

- The member is not required to return to active service following the leave to retain service credit.
- The employer may require that the member returns as a condition of granting the leave.
- The employer, at its discretion, may pay an amount greater than 50% of the contracted salary.
- The employer reports the actual amount paid to the member (base) and the unpaid portion totaling 100% of contracted salary each month (URCC or the WNC column)).
- The employer and member pay contributions on 100% of the contracted salary.

Unlike a sabbatical, a member is not required to return from a contributing Special Sick Leave to retain service credit. The employer, however, may require that the member returns as a condition of granting the leave. For non-contributing Special Sick Leave, the member must return to active service to purchase the SSL.

As stated previously, a member on a special sick leave must be paid at least 50% of their contracted salary. Regardless of the amount they are being paid, the employer must report the full contracted salary to PSERS. For a contributing leave, the amount the employer is paying the member will be reported in the base column, the remaining amount that equals their full contracted salary, will be reported in the URCC column of the work report.

When reporting salary, the school will also need to report the service for the member. If the member is a salaried wage type, the service can be reported at the end of the special sick leave, or in June when the system prompts you to do so. If the member is a Per Diem or Hourly wage type, service needs to be reported each month along with the salary, just like when they are active.

Non-Contributing Special Sick Leave



- A member must return to an active, contributing status to purchase a non-contributing SSL.
- Both the member and employer will be billed.
- Billing is based on the WNC and service reported throughout the leave.
- The employer bill is based on the contribution rate for the fiscal year in which the leave was taken.

There is no return requirement for a non-contributing special sick leave. But the member to have the option to purchase the leave, the member must return to active, contributing service.

Throughout the non-contributing special sick leave the school reports the salary in the WNC column along with the associated service. When the member applies to purchase the service, PSERS already has all the salary and service information needed to calculate the purchase correctly. Both the member and the employer are billed for the contributions.

The form the member uses to make this request is the Application to Purchase Credit for an Approved Leave of Absence form (PSRS 112), which can be found on the PSERS website under the forms link.

Reporting Special Sick Leaves



The work status start date of the contract record should be equal to the first day of the Special Sick Leave.



After submitting the Contract Record, your work report should reflect the same work status.

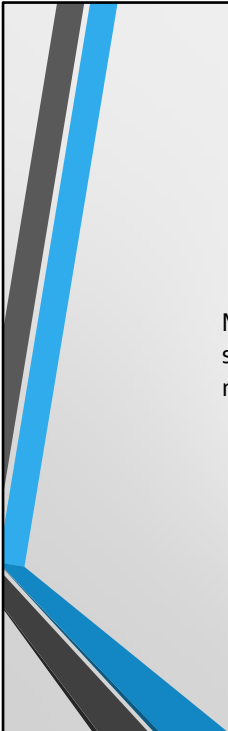
When entering the contract record into ESS for the special sick leave the start date of the contract record must be the start date of the leave. Moving forward in your reporting, the work status inside the work report must match that of the newest special sick leave contract record or you will receive an invalid row error message and will not be able to report that member.

Knowledge Check!

- Mary was approved for a contributing Special Sick Leave. She cannot return to employment. Does she have to return to get credit?




Mary was approved for a contributing Special Sick Leave. She cannot return to employment. Does she have to return to get credit?



Answer:

Mary was on a contributing special sick leave. She does not have to return after her SSL to receive credit.



Good job everyone!

No, Mary does not have to return after her contributing Special Sick Leave to receive credit.

The policy does not require a member to return from a contributing Special Sick Leave to retain the related service. That said, Employers may require a return to service as part of the conditions to grant the leave. PSERS does not require that she returns.

Knowledge Check!

Which of the following must exist to receive credit for a Non-Contributing Special Sick Leave- SSLSSN/SSLWCN?

- A. The leave must be approved by the employer.
- B. The member must receive at least 50% of their contracted salary.
- C. Both the member and the employer must pay retirement contributions based upon the full contracted salary.
- D. All the above



Knowledge Check

Which of the following must exist to receive credit for a Non-Contributing Special Sick Leave- SSLSSN/SSLWCN?

- A. The leave must be approved by the school board
- B. The member must receive at least 50% of their contracted salary
- C. Both the member and the employer must pay retirement contributions based upon the full contracted salary.
- D. All the above

Answer:

D. All the above

All three criteria need to be met for a special sick leave non-contributing.



Yay, you got it!

The answer is D. All the above

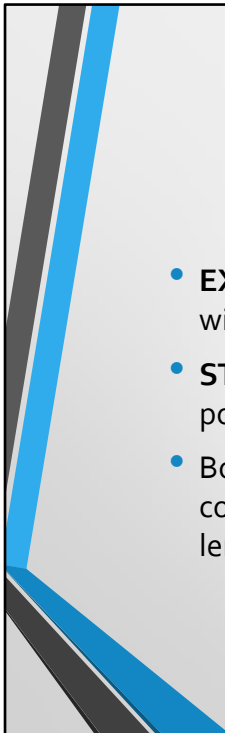
All three criteria need to be met for a member to receive service credit for a special sick leave non-contributing.

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The next two types of leave can also both be either contributing and non-contributing, but they are seldom used.



Leaves - (not commonly used)

- **EXCHGC/EXCHGN** – exchange of teaching positions with a teacher from another country
- **STUDYC/STUDYN** - Improve on the skills for the position the member currently holds
- Both leave types could be contributing or non-contributing, and can be held for an unspecified length .

Exchange teacher leave can be used if one of your teachers exchanges positions with a teacher from another country. The length of the leave is unspecified. If the teacher is paid, then the leave will qualify as a contributing leave. Otherwise, this is a non-contributing leave and should be reported under WNC.

Please note, you should not report the teacher from the other country, only the teacher employed by you that is currently teaching in another country.

For Study Leave, an active member may be approved for an unspecified period of time to improve the skills for their current position. 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.

If these leaves need to be used, they would be reported the same way as any other contributing or non-contributing leave that we just covered.

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Next, we will review Activated Military Leave Non-Contributing. In the past, you may remember this type of leave having a contributing option, but that is only for military leaves prior to 2013.



ACTMLN

Non-Contributing Activated Military Leave- Eligibility

- Service in the Armed Forces of the United States
- Time of war or armed conflict
- Orders initiated on or after July 1, 2013
- Period of time pursuant to an order into active military service, not to exceed 5 years.
- All employees who are called to active duty are eligible.

Note: A member 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").

Non-Contributing activated military leave is considered a USERRA leave and used when a member is called to active military service. USERRA is the Uniformed Services Employment and Reemployment Rights Act of 1994. USERRA was passed to protect the job rights of individuals who actively provide military service.

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 re-employment protection under USERRA, provided the leave does not exceed five years.

All employees who are called into service are eligible. The length of the leave is based on the orders the member receives and their DD-214 upon their release from active service. The maximum amount of service

credit for this leave is 5 years. If the leave goes beyond 5 years, the member would no longer be entitled to USERRA reemployment protections.

Active duty for reserves, which is the regular 15 days of active duty, is to be reported as if the member is in regular employment or active status.

Compensation for Non-Contributing Activated Military Leave

- An employer is not required to pay the member but must report to PSERS the full contracted salary during the leave.
- The employer reports the total contracted salary in the WNC column
- Members are considered in regular daily attendance during the period of the leave and service is reported accordingly
- No contributions are remitted during the leave.

Reporting for this leave is distinct from the other leaves. Regardless of what the member may be paid by the employer, the full contracted salary is reported to PSERS in the WNC column along with the associated service that the member would have received had they been actively working. No contributions are remitted.

When reporting the service, if the member is a salaried wage type, the service can be reported at the end of the activated military leave, or in June like normal. If the member is a Per Diem or Hourly wage type, service needs to be reported each month along with the salary, just as if they are active.

Non-Contributing Activated Military Leave Return Requirements

Summary	
Period of Absence for Military Leave	Days to Report to Work After Military Leave
Less than 31 days	Generally, one day, or 8 hours
More than 30, less than 180 days	14 days
More than 180 days	90 days

For Non-Contributing Activated Military leave, the member must timely return to be eligible to purchase the leave. In the chart you can see that if the leave is less than 31 days, the member needs to return within 1 day of the end of the leave.

Between 30 days and 180 days, the member has 14 days to return to the school. Finally, if the leave is more than 180 days, the member has 90 days before to returning to the school.

There is an exception if the member was a 10-month employee and does not work over the summer but returned during the summer. The member must report to work on the first day they are expected to be back at the end of the summer break.

Purchasing Non-Contributing Activated Military Leave



- 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.
- Full payment must be received within the required time period, with limited exceptions.

The member must apply to purchase the service within a period equal to the lesser of either, three times the period of military service or five years from the date the leave ended. In most scenarios it will be 3 times the period of military service.

As an example, the military leave lasted for 90 days. That means the member must apply for the leave within 270 days of returning to active service with the school district. The member must also submit their DD-214.

Generally, the member must complete payment for a USERRA purchase during that member's required time period to receive full service credit. If an active member

does not pay the balance due by the conclusion of the payment period, then the member will receive a proportional credit for the USERRA leave. Except under limited circumstances, a debt will not be applied to a member's account.

The school will be billed for the employer contributions on the salary reported when the member is billed.

Intermission



Now it's time for a 9 minute break!

Leave Contract Records Codes

CONTRACT WORK STATUS

- SABTLC – Sabbatical
- UNIONC-Union Leave
- SSLSSC/SSLSSN-Special Sick Leave-School Sponsored
- SSLWCC/SSLWCN-Special Sick Leave Workers Compensation
- EXCHGC/EXCHGN-Exchange Teacher Leave
- STUDYC/STUDYN-Professional Study Leave
- ACTMLN-Activated Military leave
- **LEAVEN**
- WKCMPN

The last two leave types that we are going to discuss are “LEAVEN” and “Workers Compensation Non-contributing.” These leaves are non-contributing, but they are different from other non-contributing leaves in that they cannot be purchased, and no salary or service is reported for the member while on these types of leave.

LEAVEN- Unpaid Leave Eligibility

- Does not meet the definition of any other approved leave of absence.
- The school is not willing to pay contributions on the leave

Examples of a LEAVEN:

- FMLA leave
- FFRCA leave
- Administrative leave (paid or unpaid)
 - Suspension
 - Finishing remaining contract



Suspension
of
Work

One of the biggest mistakes we are seeing employers make is reporting a member as ACTIVE when the member is actually on a leave that is not an approved leave of absence. An employer may approve a paid or unpaid leave of absence, other than an Approved Leave of Absence, for any period of time. Such leave, however, will not entitle the member to service credit with PSERS. No work is being performed during this leave and any salary paid by the employer is not retirement-covered compensation. While on the LEAVEN status, nothing should be reported to PSERS outside of the contract record created.

An example of a LEAVEN would be: A member is taking three weeks off to go to Florida but does not have the annual leave to cover the time off. The district may grant a leave from work but, such leave does not fall within any of the approved leave of absence types. In this case the member would have a LEAVEN record reported to PSERS with no service or salary reported.

A second example of LEAVEN: A member is on maternity leave and it's approved FMLA. If the member was not using sick days or vacation days to cover the leave and it had not been approved as a special sick leave, then a LEAVEN record would need to be reported to PSERS.

If a member is using some days from a sick leave bank that is not a Special Sick Leave, the member would be considered as using an accrued sick leave and, therefore,

reported as active to PSERS, just as if they were using their own sick or vacation days. If sick bank days were not being used, and they were not on any other type of approved leave, then the LEAVEN status would be used.

Administrative leave typically falls under two types. The first is a leave granted to an administrator to who is no longer working but will be paid through the conclusion of their contract. A LEAVEN record is to be entered for them with no reporting from the time the leave started to the date of termination.

The second is a leave due to a suspension. Whether the member is being paid or not, it is still not reported to PSERS. With suspensions, if the member is reinstated and pursuant to an agreement, is made whole for back pay, then the LEAVEN record would be voided and reporting for that period would need to occur through an adjustment. Usually, this type of situation occurs if there is a settlement agreement in place.

LEAVEN Length



- A member can not be reported on a non-contributing leave for more than 24 months.
- After 24 months, the PSERS system will automatically create a termination record for the member.

A LEAVEN contract record will not exceed 24 months. Pursuant to the Retirement Code, a member can maintain an inactive status with PSERS for a period up to 24 months from the start of the leave. After 24 months, the member is deemed as terminating service. If a LEAVEN contract record is still open at the end of 24 months, PSERS will automatically create a termination record in the member's account.

Leave Contract Records Codes

CONTRACT WORK STATUS

- SABTLC – Sabbatical
- UNIONC-Union Leave
- SSLSSC/SSLSSN-Special Sick Leave-School Sponsored
- SSLWCC/SSLWCN-Special Sick Leave Workers Compensation
- EXCHGC/EXCHGN-Exchange Teacher Leave
- STUDYC/STUDYN-Professional Study Leave
- ACTMLN-Activated Military leave
- LEAVEN
- **WKMPN**

Finally, there is non-contributing Workers' Compensation leave.

WKCMPN Non-Contributing Workers' Compensation Eligibility



- The member must be receiving Workers' Compensation.
- The leave is not approved under the Special Sick leave types available for Workers Comp.
- A member cannot be reported on a non-contributing leave for more than 24 months
- After 24 months, the PSERS system will automatically create a termination record for the member.

This leave type requires a member to receive workers compensation that is not approved under one of the other approved leaves. A school may choose to do this based on the circumstances surrounding the leave, or for budgetary reasons, because no employer contributions would be paid on any salary for the member.

No salary or service should be reported for a member on WKCMPN status and the leave is not purchasable by the member.

Just like with the unpaid or non approved leave, this type of leave cannot exceed 24 months. At the end of 24 months the PSERS system will automatically create a

term record in the member's account.

Knowledge Check!

Lucy is on a Workers' Compensation leave and was recently cleared for half-time work; how do I report that?




Answer:

You will enter a part time active contract record for the half time the member is working.

You will report the salary earned for the time she works each day.

You would not report any of the salary or associated service for the Workers' Comp time.



Correct!

You will enter a part time active contract record for the half time the member is working.

You will report the salary earned and the prorated days worked during her morning shift.

You would not report any of the salary or associated prorated service for the Workers' Comp time.

You all did a great job today with the knowledge checks. I hope you enjoyed them as much as I did. Thank you so much for playing along with me today.

Knowledge Check!

Penelope is out on an “Non-Contributing Approved Leave of Absence.” She does not want to make contributions while on leave.

Does she have the option to purchase the service when she returns from her approved leave?



I'M
ON SICK
LEAVE!

Penelope is out on an “Non-Contributing Approved Leave of Absence.” Which does not include LEAVEN and WRCKMPN. She does not want to make contributions while on leave.

Does she have the option to purchase that time and service when she returns from her approved leave?

Answer:

Yes, Penelope does have the option to purchase her time when she returns which is why it's important it still be reported in the WNC column.



Perfect. You got it.

The answer is yes. She does have the ability to purchase the time when she returns.

This is why it is so important to report the full contracted salary in the Wages No Contributions (WNC) field on your Work Report because if Penelope did choose to purchase that time you have already submitted the information to us.

Working while on a Leave of Absence

- A member on an approved leave may not be credited with additional compensation if the member provides additional services during the normal work schedule of the primary position.
- Additional earnings are retirement covered if the work is outside of their normal schedule.

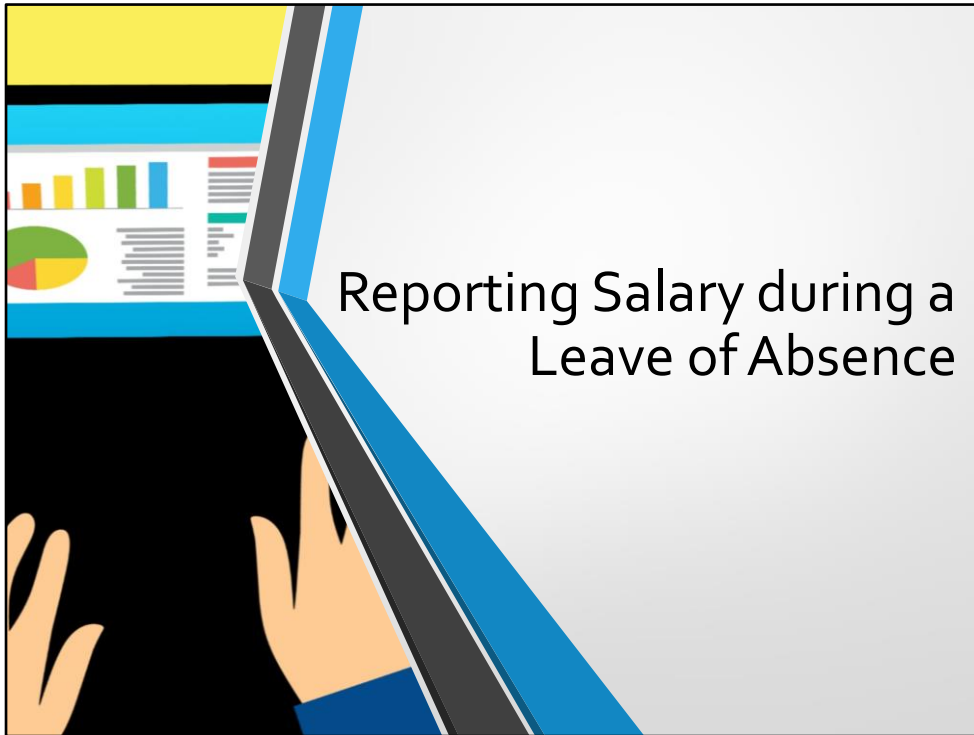
Before we move on the reporting salary during a leave, let's quickly review what happens when a member renders service while on a leave of absence.

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

Example: A member's primary position requires 10 months of employment with normal work hours from 7:30am to 3:30pm. During the member's approved leave an employer asks him to return to the classroom at some point during the 10 month period to provide instruction during his 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: A member's primary position requires 10 months of employment with normal work hours from 7:30am to 3:30 pm. 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.



We are now going to discuss the difference between reporting information based on the actual pay versus the expected pay based on the leave of absence reporting rules for a contributing leave of absence.

Reporting Salary for a Contributing Leave of Absence

- Example:
 - A 12-month employee is paid \$50,000 per year.
 - Granted a half-year sabbatical beginning January 1, 2021 through June 30, 2021
 - Employer pays 50% of their salary while on the sabbatical.

We are going to discuss the difference between reporting information based on the actual pay versus the expected pay based on the leave of absence reporting rules for a contributing leave of absence.

This first example is when the pay and the reporting match for a school member granted a 6-month sabbatical leave. The SABTLC Contract Record will have a Start Date of January 1, 2021. The member will return to ACTIVE service on June 30th, 2021.

The member's full contracted salary is \$50,000. The member will be paid their standard pay from July through January, and the Sabbatical pay from January through June at which point they'll only be receiving 50% pay. So, how do we report the contracted salary to PSERS?

Reporting Salary for a Contributing Leave of Absence

Standard	Base	URCC	Total Reported to PSERS
July	\$3,846.15	\$0	\$3,846.15
August	\$3,846.15	\$0	\$3,846.15
September	\$3,846.15	\$0	\$3,846.15
October	\$3,846.15	\$0	\$3,846.15
November	\$5,769.23	\$0	\$5,769.23
December	\$3,846.15	\$0	\$3,846.15
January	\$1,923.07	\$1,923.07	\$3,846.14
February	\$1,923.07	\$1,923.07	\$3,846.14
March	\$1,923.07	\$1,923.07	\$3,846.14
April	\$1,923.07	\$1,923.07	\$3,846.14
May	\$2,884.61	\$2,884.61	\$5,769.22
June	\$1,923.07	\$1,923.07	\$3,846.14

We have placed the information in this chart for ease of explanation. When working in the ESS system, it will not look exactly this way inside your work report. You can see the full salary is reported in the base column until January, at which point it is divided in half. The amount being paid is reported in base and the remainder of the contracted salary is reported under URCC. URCC stands for Unpaid Retirement Covered Compensation. Our system will use the URCC field as well as what is reported in the Base column to determine the amount of contributions to bill the employer for the member and the employer portion, just as if the member was active.

Reporting Salary for a Contributing Leave of Absence

- **Non-Standard Pay Schedule**
 - Half Year Sabbatical (Approved for the Spring Semester)
 - \$50,000 Full Year – contracted Salary
 - Member would earn \$37,500
 - Member would have \$12,500 in Sabbatical (Unpaid Retirement Covered Compensation)



Again, this member is earning \$50,000 per school year. The SABTLC Contract Record would still have a Start Date of January 1, 2021. The member will return to ACTIVE service on June 30, 2021. The difference in this example is the employer grants the member the benefit of receiving 75% of their pay, all year long, instead of the full pay for 6 months and half pay for 6 months. The unfortunate situation is that a member cannot be reported as receiving URCC when the member is not on a Sabbatical leave.

Reporting Salary Non-Standard vs. Standard

	BASE	URCC		BASE	URCC
July	\$2,884.61	\$961.53		\$3,846.15	
August	\$2,884.61	\$961.53		\$3,846.15	
September	\$2,884.61	\$961.53		\$3,846.15	
October	\$2,884.61	\$961.53		\$3,846.15	
November	\$4,326.92	\$1,442.31		\$5,769.23	
December	\$2,884.61	\$961.53		\$3,846.15	
January	\$2,884.61	\$961.53		\$1,923.07	\$1,923.07
February	\$2,884.61	\$961.53		\$1,923.07	\$1,923.07
March	\$2,884.61	\$961.53		\$1,923.07	\$1,923.07
April	\$2,884.61	\$961.53		\$1,923.07	\$1,923.07
May	\$4,326.92	\$1,442.31		\$2,884.61	\$2,884.61
June	\$2,884.61	\$961.53		\$1,923.07	\$1,923.07

The Base and URCC columns on the left show how the member is being paid and how one would think this would be reported to PSERS. Unfortunately, that would be incorrect. You must report the information as shown in the Base and URCC columns on the right (Correct Reporting). With each Work Report you upload you will be required to modify the values to match the Correct Reporting table.

I have a simple example of altering the reporting to fit the validations: If you are faced with the fact that your member is being paid 100% of the full contracted salary during the contributing leave of absence, you will need to place \$.01 in the URCC field so that validations are passed. This validation exists because if a member has a work status of one of the contributing leaves, the system is expecting to see URCC because both columns are used to calculate the member and employer contribution amounts.

Regardless, you need to report the number of days the member would have worked during the entire year, not just the days actually worked. In this example, the member was scheduled to work 260 days, so 260 days would be reported to PSERS. You must also deduct retirement contributions from the member on the full contracted Salary. In this example, the Retirement Contributions would be deducted based on the \$50,000, not the \$37,500 the member actually received.

Reporting Salary for a Non-Contributing Leave of Absence

- Example:
 - A 12-month employee is paid \$50,000 per year.
 - Granted a half year Non-Contributing Special Sick Leave as of January 1, 2021.
 - Employer pays 50% of their salary while on the Non-Contributing Special Sick Leave.

Let's look at reporting a non-contributing special sick leave.

A member is granted a 6-month non-contributing special sick leave. The SSLSSN Contract Record will have a Start Date of January 1, 2021. The member returns to ACTIVE service on June 30th, 2021.

The member's full contracted salary is \$50,000. The member will be paid their standard pay from July through January, and the Special Sick Leave pay from January through June at which point they'll only be receiving 50% pay.

Reporting Salary Non-Contributing Leave of Absence

Standard	Base	WNC	Service
July	\$3,846.15		
August	\$3,846.15		
September	\$3,846.15		
October	\$3,846.15		
November	\$5,769.23		
December	\$3,846.15		130
January	\$0	\$3,846.15	
February	\$0	\$3,846.15	
March	\$0	\$3,846.15	
April	\$0	\$3,846.15	
May	\$0	\$5,769.23	
June	\$0	\$3,846.15	130

In this example, you report the salary the member is earning during the portion of the year the member is working along with the service. You also report the salary the member would have been earning had the member not been on a leave. This is reported in the WNC field, during the portion of the year the member is on leave. Again, this chart is being used to show the example in an easy to read format. The columns in your work report will be different.

You should not report any money in the base column even if you are paying the member a portion of the salary while the member is on leave. In this example, you are paying the member \$1,923.07 per pay, but as you see, there is no salary being reported in the Base field during the leave period.

When reporting the service for the leave portion you need to report half the service with the WNC salary so that if the member chooses to purchase the service, the service credits will be added during the purchase process.



We know that the end of the year is challenging so we have a few helpful reporting reminders before spring fever sets in.

This section provides guidance for correctly submitting termination contract records and how to use Balance of Contact and Service Flags properly.

Contract Records Termination of Service

- Termination Contract Records Include:
 - The Last Day of Work
 - Balance of Contract (BOC) Flag
 - Service Flag
 - Balance of Contract (BOC) date



First let's talk about how to handle termination of employment. When you have a member terminate, you need to notify PSERS by submitting a Termination Contract Record. The Termination Contract Record needs to include:

- The member's last day of work or last day of leave of absence. This is the start date of the termination record.
- Whether or not the member will be paid after the termination month, which is considered balance of contract.
- Whether or not you must report service after the termination month.
- Lastly, the BOC flag date which identifies the final month there will be salary reported for the member.

In termination records, the end date should remain blank. Remember, you do not need to End Date the current Contract Record because the pension system will automatically End Date the member's current Contract Record upon receipt of the Termination Contract Record.

Also remember that you do not need to submit a Termination Contract Record if your member is ending one position and starting another. A termination record only needs to be reported when the member's services with you has come to an end.

BOC Flags Use

- Balance of Contract Flags
 - BOC Flag
 - Outstanding Service Flag
 - BOC End Date

Job Title	Emp Type	Wage Type	Work Status	Start Date	End Date	Exp Months	Exp Units	Voting Status	Contract Status	Last Rpt	BOC Flag	Service Flag	BOC Svc Rpt
TCHR 10MO	Full-Time	Salaried	ACTIVE - Actively Working	09/01/2007	06/30/2010	10	180	Certified	Eligible	06/30/2010	No	No	
TCHR 10MO	Full-Time	Salaried	TRMNTN - Termination	06/30/2010		10	180	Certified	Eligible	07/31/2010	Yes	Yes	08/31/2010

The Balance of Contract Flags are used to notify PSERS whether the member's information will be completely reported by the end of the termination month or after the termination month. There are three Balance of Contract Flags. The BOC flag, the Outstanding Service Flag, and the BOC end date.

The first flag, the BOC flag is marked yes if the school will be reporting salary to PSERS outside of the member's month of termination. If the member is receiving their final pay within their month of termination the flag can be marked No.

Service Flag Use

- **Service Flag**
 - Used when additional service will be reported outside the termination month



The next flag that is part of the termination or deceased record is the service flag. If the member needs service reported in that final work report to PSERS that is outside of the termination month, then the service flag needs to be listed as yes. Typically, this only occurs with an hourly member as the salary is associated with specific service not yet reported.


BOC Flag Use

- **BOC End Date**
 - This identifies the final work report month reported to PSERS



The final field is the BOC end date. This field is needed if you have marked the BOC flag field as a yes. It will identify to PSERS that this is the last work report for your member, including salary and possible service. It allows us to plan accordingly as it relates to processing any benefit to the member.

The importance of these fields is to identify if the information reported to PSERS conflicts with the information that we have or expect to have. If this occurs, we will be required to contact you to reconcile the account. This delays your former member's benefits.



Balance of Contract Terminated Member

Benefit Timing

Month of Termination
vs.
After the Month of Termination

- **Month of Termination** – member is paid within 6 weeks of the termination month's Work Report receipt
 - Example: Termination = June 19, 2021
 - Work Report for June is received by PSERS on July 20, 2021
 - PSERS will typically pay the benefit by end of August 2021

The examples on the next two slides show the difference between paying out Balance of Contract in the members month of Termination versus paying it out over the summer. You will see in this example that when the final salary is paid in June the member will most likely begin receiving their benefit in August.

Balance of Contract Terminated member

Benefit Timing

Month of Termination
vs.

After the Month of Termination

- ***After the Month of Termination*** – member is paid within 6 weeks of the last Work Report where the member is reported
- Example: Termination = June 19, 2021 (BOC End Date = 8/31/2021)
 - Work Report for August is received by PSERS on September 20, 2021
 - PSERS will pay the benefit by end of October 2021

This second example shows that someone paid throughout the summer months of July and August. They will most likely not begin receiving their benefit until late October. This is because PSERS must wait for all the final work reporting to come in before processing a benefit.

Balance of Contract Work in the Summer

Balance of Contract vs. Summer Employment

- Money reported in the year it was earned, not paid
- Examples:
 - Work Report July 2021
 - Fiscal Year 2021 – Balance of Contract (salary earned before June 30, 2021, but paid in July)
 - Fiscal year 2022 – Summer employment
 - Work Report August 2021
 - Fiscal Year 2021 – Balance of Contract (salary earned before June 30, 2021, but paid in August)
 - Fiscal Year 2022 – Summer employment

We are finding that some employers are tagging the incorrect fiscal year when reporting the Balance of Contract moneys. Remember the fiscal year should be assigned based on when the member earned the money, not when it was paid to the member. Work rendered after July 1st will be part of the new fiscal year, while work rendered on or before June 30th will be part of the previous fiscal year.

In the following examples the member is a teacher and is paid from September 2020 through August of 2021. The teacher also teaches summer school in the months of July 2021 through mid-August 2021

In your Work Report for July 2021

Report the 2021 fiscal year in the Year field for the Balance of Contract. This is salary earned before June 30, 2021, but paid in July) i
Report the 2022 fiscal year in the Year field for the Summer employment information

In your Work Report for August 2021

Report the 2021 fiscal year in the Year field for the Balance of Contract. This is salary earned before June 30, 2021 but is paid in August.
Report the 2022 fiscal year in the Year field for the Summer employment information

Knowledge Check!

William terminated employment on the 23rd of the month but will not receive his final paycheck until the 15th of the following month.

Should a BOC Flag be used?



William terminated employment on the 23rd of the month but will not receive his final paycheck until the 15th of the following month.
Should a BOC Flag be used?

Answer:

Yes, the BOC Flag is used when additional wages will be reported outside the termination month.



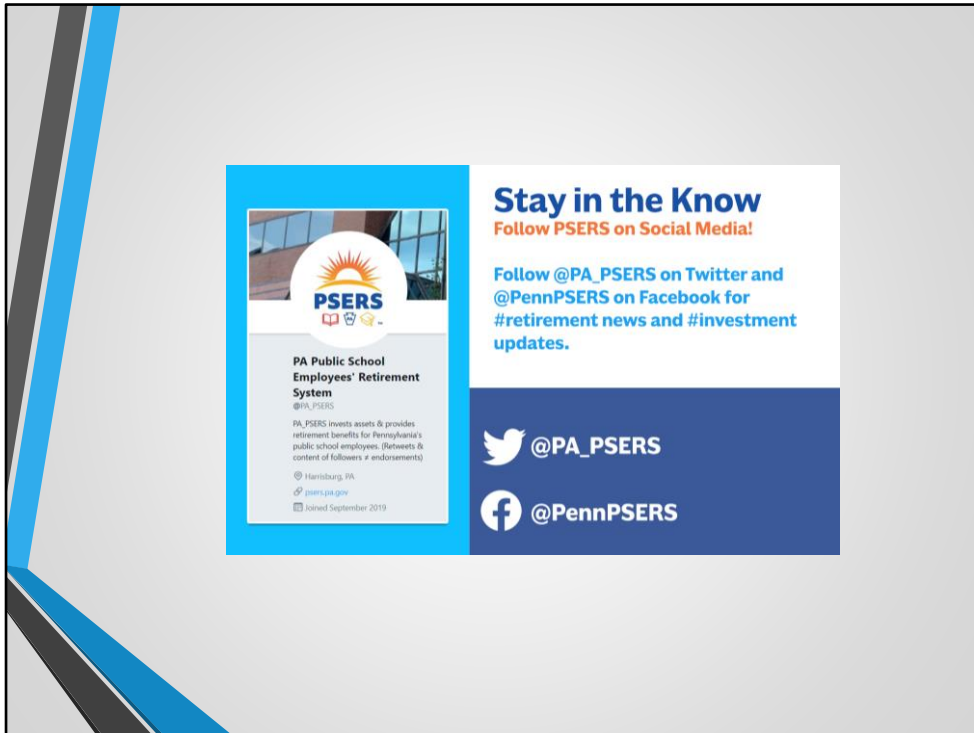
Great!

The answer is Yes, the BOC Flag is used when additional wages will be reported outside the termination month.



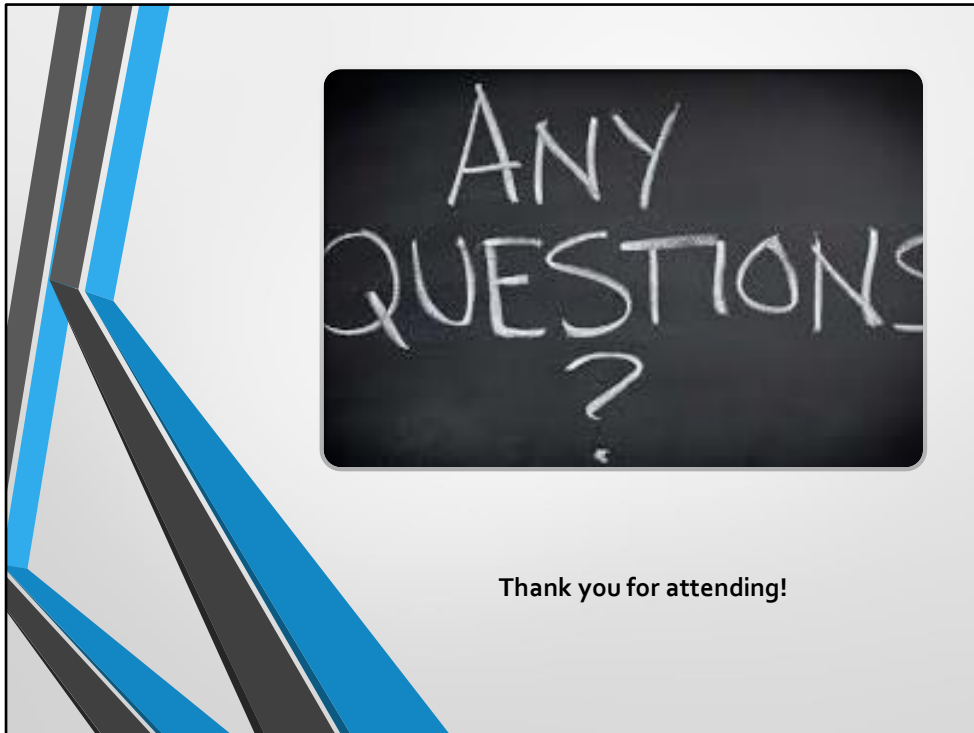
This is the Employer Service Center map to show that we have expanded into seven regions within the state. PSERS recognizes the need to give you the customer service and training assistance you may need. I am pleased to say that as of January, all regions have a dedicated representative.

We realize that as we train new ESC reps, the person assigned to your school may change. We ask that you be patient with us through this transition. If you need to know who your current Rep is you can look on the Employer Service Center tab on the PSERS website to see who is currently assigned to your school district.



Our Twitter and Facebook pages mainly feature retirement and investment information.

Follow us @PA_PSERS on Twitter and @PennPSERS on Facebook for news and updates that may affect you! This is a great way to find out when local Foundations For Your Future presentations are happening, *when we can safely resume in-person meetings*, and other helpful information.



Thank you for attending the 2021 Spring Workshop. We are available to answer questions using the Q/A feature. If you have more detailed questions involving leave scenarios, please reach out to your ESC rep so they can take time to review the situation with you.

A link to the Survey on this session has been placed in Meeting Chat feature within your Teams window, please take a few moments to click on the link and answer the questions in the survey. This allows us to continually improve these virtual training sessions moving forward.