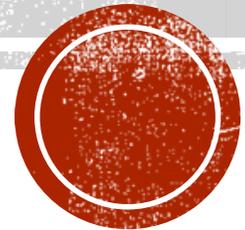# LWOP REPORTING

Centralized PERS Services

REPORTING LWOP TO PERS

- The difference between <u>Employment Service</u> and <u>Retirement Service</u>

- Employment Benefits vs. Retirement Benefits

- Why we need to report LWOP to PERS

- How we have been reporting LWOP?

- New & improved process for reporting LWOP

STATE SERVICE VS. RETIREMENT SERVICE

What is state service?

- The amount of time an employee is actively employed with the state of Oregon. (exceptions apply)

What is Retirement Service Credit?

- An employee receives **one** retirement service credit per month of employment in a qualifying position provided that they work the full month, or major fraction of the month.

- OAR459-010-0010(3)(B)© defines "major fraction of the month" as 11 business days.

EMPLOYMENT BENEFITS VS. RETIREMENT BENEFITS

Employment Benefits

- **Workers Comp**
  - Employment and medical benefits are protected while an employee is on an approved workers comp claim. (exceptions may apply)

- **FMLA/OFLA**
  - Employment benefits are protected while an employee is on an approved FMLA/OFLA leave of absence that qualifies under the Family Medical Leave Act. (exceptions may apply)

- **Military Leave/USERRA**
  - Employment and medical benefits are protected while an employee is on an unpaid leave of absence for Military Service. (exceptions may apply)

Retirement Benefits

- **Workers Comp**
  - Tier 1 & Tier 2 employees *__may__* receive retirement service credits for periods of leave without pay that are protected by workers comp if certain criteria is met. Note- they must return to work.
  - OPSRP employees *__may__* receive service credit for periods of leave without pay that are protected by workers comp for periods ending on or after August 2, 2017.

- **FMLA/OFLA**
  - FMLA/OFLA does not protect retirement benefits. Neither Tier 1, Tier 2, or OPSRP receive retirement service credits for any leave without pay absence that exceeds the greater portion of the month.

- **Military Leave/USERRA**
  - Employees may receive retirement service credits if their military leave of absence qualifies under the parameters of USERRA.

WHY DO WE NEED TO REPORT LWOP TO PERS?

- Statute:
  - Tier 1 & Tier 2 -ORS Chapter 238.005 & OAR 459-010-0010
  - OPSRP- ORS Chapter 238A.140 & OAR 459-075-0150

- Accurate Employee Retirement Benefits (Service Credits)
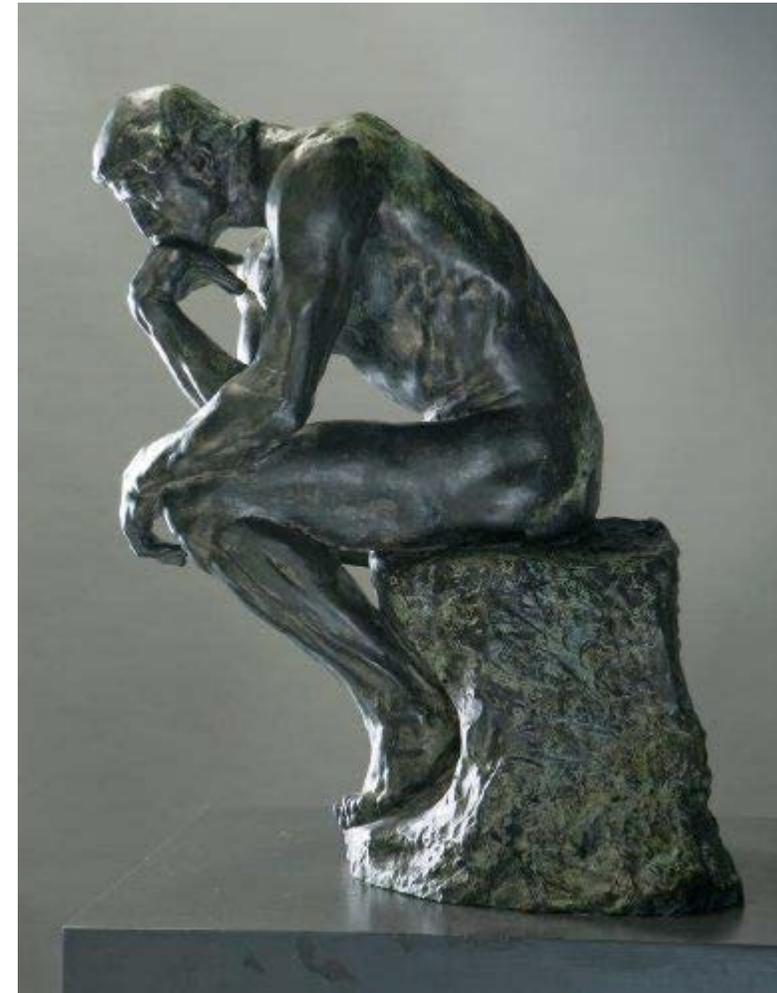
HOW HAVE WE BEEN REPORTING LWOP

Current Practice

- Currently we have not had a process in place to report LWOP to PERS due to system limitations.

- PERS has an internal process of reviewing accounts for gaps or reductions in reported hours/salary when an employee applies for a benefit. When they notice gaps or reductions, they contact CPERS to coordinate obtaining salary and hour detail from the agency.

- This is one of the things that initiates the emails you receive from CPERS.

Why This Doesn't Work……….

- It's the employer's responsibility to report accurate leave without pay data to PERS.

- Timesheets are only required to be saved for 4 years. Often times the information being requested is not readily available to payroll staff and requires time to research. This can cause employee retirement benefits to not be processed within statutory timeframes.

- PPDB is not used consistently by agencies as a way of recording leave without pay segments, so it cannot be used as a reporting tool.

WHAT SHOULD WE DO??????

Never fear! The Centralized PERS Services Team has developed a new process for reporting leave without pay on a quarterly basis.

THE PROCESS

On May 1st, 2017 CPERS will…..

1. Email each agency (payroll & HR contact) an excel spreadsheet containing first quarter leave without pay data. The spreadsheet will contain a list of all employees that coded leave without pay hours equal or greater than 88 hours a month. The email will include instructions on how to complete the spreadsheet.

Agencies will…..

1. Confirm the information on the spreadsheet, and supply corrected hours if needed.

2. Provide dates of the full days of leave without pay for the hours/timeframes provided.

3. Indicate if leave was related to an approved workers comp claim.

4. Return the information to CPERS within 30 days of the receive date.

THE SPREADSHEET

	CPERS						Agency Payroll Response					
							FULL DAYS LWOP					
Agency #	Employee Name	OR#	Pay period	PPE Total Hours (RG&LWOP Combined)	Total LWOP Hours	Hours Considered Regular Pay	Enter dates for this pay period that include **full** LWOP days (may be individual days or a span of full LWOP days)	Total LWOP hours if different than Column "F"	Agency Comments	LWOP due to Approved Workers Comp Claim? (Y/N)		
12345	EXAMPLE 1	#	12/31/2016	176	153.77	22.23	12/16/2016-12/30/2016	152		N	**Example 1** is for a continuous block of leave, but some accruals were used each month which creates a break.	
12345	EXAMPLE 1	#	1/31/2017	176	173.22	2.78	1/4/2017-1/31/2017	160		N		
12345	EXAMPLE 1	#	2/28/2017	160	159.65	0.35	2/2/2017-2/28/2017	152	Employee returned to work on 3/1/2017	N		
12345	EXAMPLE 2		12/31/2016	176	136	40	12/1/2016-12/5/2016, 12/8/2016, 12/12/2016-12/15/2016, 12/20/2016-12/23/2016, 12/27/2016, 12/28/2016, 12/30/2016	96	Remaining hours were partial days of LWOP.	N	**Example 2** is for intermittent LWOP absences throughout one month. This lists the blocks of full days of LWOP.	
12345	EXAMPLE 3		3/31/2017	184	184	0	3/1/2017-3/31/2017		Actual LWOP started 2/19/17 and ended 4/12/17	Y	**Example 3.** This employee was gone from February 19 through the entire month of March until April 12 and no accruals were used so it was all LWOP. This leave was an approved workers comp claim. (Note that Feb and Apr were not included on the spreadsheet because they were not 88 hours or more of leave but need to be included in reporting the actual LWOP period.)	**Example 3.** This employee's full days of lwop started 2/19/17 and they had continuous full days of lwop until they returned to paid status on 4/12/17. This leave was an approved workers comp claim. (Note that Feb and Apr were not included on the spreadsheet because they were not 88 hours or more of leave but need to be included in reporting the actual LWOP period. Only include the return date if you are completing this after the date the employee returned. Do not include future return dates.)
12345	EXAMPLE 4	#	12/31/2016	176	176	0	11/27/2017-?			N		**Example 4.** if the continuous leave dates are over the three months, you may make just one entry providing the start date of lwop with the end date of lwop. If you are not aware of the end date when completing this, you may end it with ? as this tells us the end date is unknown.
12345	EXAMPLE 4	#	1/31/2017	176	176					N		
12345	EXAMPLE 4	#	2/28/2017	160	160					N		

LWOP & WORKERS COMP

Tier 1, Tier 2 and OPSRP Employees

- Tier 1 & Tier 2 employees **may** be able to receive service credit for periods of leave without pay for an approved workers comp claim.

- OPSRP employees **may** be able to receive service credit for periods of leave without pay for an approved workers comp claim for periods ending on or after August 2, 2017.

- This is done only by request, by submitting the Workers Compensation Certification form #459-679 to PERS.

- EMPLOYERS and EMPLOYEES may complete this form: https://www.oregon.gov/pers/Documents/Form/679-Workers%27-Compensation-Certification.pdf

- The purpose of this column on the spreadsheet is to identify when the leave was workers comp related so that you (the employer) can notify the employee to complete this form, or complete it on their behalf and send the form directly to PERS.

SEND THE SPREADSHEET BACK TO CPERS

CPERS will…..

- Review agency information and comments.

- Complete the process to record the leave without pay in the PERS system.

WE ARE ALL HAPPY EMPLOYEES

Because………

- We will all have accurate and up to date information on their retirement account.

- We will all be able to view accurate service credit information on their online member service (OMS) account.

- Agency payroll staff will receive fewer and fewer requests from CPERS to verify salary and hour information.

- CPERS will receive fewer and fewer requests from PERS to verify gaps in hours and salary.

LITTLE *by* LITTLE, *a* LITTLE *becomes a* LOT

RECAP

Key points to remember……

- Retirement service is NOT the same as employment service.
- This reporting process DOES NOT replace the need to enter a LWOP segment in PPDB.
- Only FULL DAYS of leave without pay need to be reported.
- PERS Tier 1 & Tier 2 employees may be able to get service credit for a past workers comp claim.
- OPSRP employees may be able to get service credit for a past workers comp claim for periods ending on or after August 2, 2017.
- If you currently use other methods of reporting LWOP to CPERS and you are concerned about this change in process, please contact us.