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## Military Leave and the WRS (USERRA)



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### Objective

Enable employers to accurately report WRS hours and earnings for an employee on military leave

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### Topics

- Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)
- Retirement Credit for Military Service
- What the Employee Must Do to Receive Credit
- Reporting
- Examples

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## USERRA

- Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)
  - Provides retirement credit to uniformed service employees

*Refer to Chapter 20 of the WRS Manual regarding Military Service Credit*

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## Periods of Qualifying Uniformed Service

- Active Duty
- Active Duty for Training
- Inactive duty for training which includes weekend drills if part of normal work schedule
- Annual Training
- Training for which orders were given
- Time a person is absent for the purposes of a fitness exam

*May be volunteer or required duty and/or training*

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## Retirement Credit

- Credit for hours and earnings the employee would have received had they remained continuously employed throughout period of service
  - Can collect employee required contributions upon return **however**,
    - Employee cannot be required to pay interest charges

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### What Employee Must Do

1. Notify employer of military leave
2. Leave the military under honorable conditions
3. Return to the same employer within the following time limits, depending on length of period of service
  - Fewer than 31 days; report to work on next regular scheduled workday after receiving adequate travel and rest
  - 31 – 180 days; return to work within 14 days after completion of service
  - More than 180 days; return to work within 90 days after completion of service
4. Provide employer with a copy of his or her leave and earnings statement or DD-214 showing the date of entry and discharge

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### Reporting Options During Military Leave

Employee begins military service...

1. Continue to remit monthly WRS contributions on hours and earnings as if employee was still working (deemed earnings)
2. Place employee on an unpaid leave of absence and remit WRS contributions for period of service retroactively

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### Annual Reporting (Option #1)

- Employee is on military leave of absence at year end:
  - You deem earnings and service under USERRA and continue to remit monthly contributions for employee
    - May or may not actually be paying employee
- Action Code 00
  - Report 2010 (or current year) hours and earnings as if the employee was actively working and receiving all earnings

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### Annual Reporting (Option #2)

- Employee is on military leave of absence at year end:
  - Unpaid leave of absence and you plan on retroactively reporting hours, earnings, and corresponding contributions with interest when employee returns
    - Employee cannot be responsible for late reported interest
- Action Code 50
  - Report employee on military leave of absence
  - Action Date blank
  - Last Earnings Date completed
  - Report actual hours and earnings prior to Last Earnings Date

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### Example #1 (Deemed Earnings under USERRA)

- Bob – Began military service on 09/01/2010 and is on military leave at year's end
  - Employer continues to remit contributions for deemed earnings during military service
  - General category
  - Employer pays all contributions
  - No payroll deducted additional contributions
  - 2010 hours and earnings:
    - January 1 – August 31: 1352 Hrs & \$24,336.00
  - 2010 deemed earnings (at \$18/hour)
    - September 1 – December 31: 728 Hrs & \$13,104.00

Total(Actual + Deemed) 2080 hours & \$37,440.00

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### Example #1 Annual Transaction (Deemed Earnings)

Report Date	→ 12/31/2010	
SSN/Name	→ SSN / Bob	
Employment Category	→ 00	
Action Code	→ 00	
Action Date	→ 12/31/2010	
Last Earnings Date	→ N/A	
FY Hours & Earnings	→ N/A	Actual +Deemed Hours and Earnings
CY Hours and Earnings	→ 2080     \$37,440.00	
EERC	→ N/A	
BAC	→ N/A	
Additional Employee Paid	→ N/A	
Additional Employer Paid	→ N/A	

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### Example #2 (Unpaid Leave of Absence)

- Bob – Began military service on 09/01/2010 and is on military leave at year's end
  - Employer plans to retroactively report hours and earnings upon Bob's return
  - General category
  - Employer pays all contributions
  - No payroll deducted additional contributions
  - 2010 hours and earnings:
    - January 1 – August 31: 1352 Hrs & \$24,336.00

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### Example #2 Annual Transaction (Unpaid Leave of Absence)

Report Date	→	12/31/2010
SSN/Name	→	SSN / Bob
Employment Category	→	00
Action Code	→	50
Action Date	→	N/A
Last Earnings Date	→	08/31/2010
FY Hours & Earnings	→	N/A
CY Hours and Earnings	→	1352     \$24,336.00
EERC	→	N/A
BAC	→	N/A
Additional Employee Paid	→	N/A
Additional Employer Paid	→	N/A

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### Actions Upon Employee's Return

1. Deemed earnings during military service
  - Submit leave and earnings statement or DD-214 showing entry and discharge dates to ETF
2. Unpaid leave of absence
  - Submit Late Reported Earnings Transaction to ETF
  - ETF will invoice the employer for contributions and corresponding interest
  - Submit leave and earnings statement or DD-214 showing entry and discharge dates to ETF

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### Employee Does Not Return to Work

1. Deemed earnings during military service
  - Submit termination to ETF for employee as of date military service began to ETF
  - Contact ETF
  - Contributions will be refunded to employer
2. Unpaid leave of absence
  - Submit termination to ETF for employee as of date military service began to ETF

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### Reference

- WRS Administration Manual – ET-1127
  - Chapter 22 – Uniformed Services Subject to Retirement Credit
- [www.etf.wi.gov](http://www.etf.wi.gov)
  - Employers Tab

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### Questions?

Contact the Employer Communication Center:

Local: (608) 264-7900  
Toll-Free: (888) 681-3952

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