

## Office of State Uniform Payroll

<b>Procedure Title:</b> Military Payments	<b>Revision Date:</b> 06/28/2019
	<b>Issue Date:</b> 11/24/2015
<b>Unit:</b> Wage and Tax Administration Unit	<b>Page Number:</b> 1 of 2
<b>Contact:</b> _DOA-OSUP-WTA@la.gov	

Employees on military leave are protected under the Uniformed Service Employment and Reemployment Rights Act (USERRA), the Servicemembers Civil Relief Act, and the Heroes Earnings Assistance and Relief Act (HEART). Included in these acts are provisions for pension plans, leave usage, and taxation. Civil Service Rule 11.26 governs military leave for classified employees, and Executive Order JBE 2016-75 governs military leave for unclassified employees. Refer to these laws and policies for specific requirements.

In general, an employee who leaves employment for active duty shall be treated as being on a military leave of absence. The employee is entitled to 15 days of military leave with pay (per tour of duty) each year and may then choose to use annual and compensatory leave, or choose to use leave without pay (LWOP). If leave is not available, the employee should be placed on LWOP. An employee on LWOP (by choice or because all annual and/or compensatory leave has been exhausted) is entitled to a military differential payment equal to the difference between his military base pay and his state base pay.

### LaGov HCM Military Differential Pay Entries:

Military differential payments made on or after 01/01/09 are not subject to Social Security and/or Medicare taxes after the employee has been on active duty for longer than 30 days.

When military differential pay is due to an employee:

- Use wage type **0152 Military Differential Pay** on IT 14/15 for payments covering the **first 30 days (including the 30<sup>th</sup> day) of active duty** in accordance with Civil Service Rules. Agencies should make sure that the appropriate “end” date is entered on IT14.
- Use wage type **0158 Military Differential>30** on IT 14/15 for payments after the 30<sup>th</sup> day has been reached.
- Record the first day of active duty on IT14/15 in the assignment number field or by utilizing maintain text. This will assist agencies and/or OSUP in the auditing of these wage types.

Military payment adjustments may be processed in LaGov HCM for the current year and the three prior years. However, Help Desk assistance may be needed if the adjustments are for any other year(s) due to the years being considered an IRS/LaGov HCM closed year.

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Retirement Contributions:

- Employees on paid leave and employees receiving military differential pay will have their retirement contributions deducted through normal payroll processing, and contributions will be remitted to the retirement system by OSUP.
- Employees on LWOP may choose to pay the required employee portion of retirement. Employees receiving military differential pay may choose to pay the required employee portion of retirement on the difference between their military differential payment and their base pay. If the employee chooses this option, the payment must be made directly to the agency. Agency personnel must then remit the employee and employer contributions to the applicable retirement system. These contributions will not be reported in LaGov HCM. The retirement system will report these contributions as non-sheltered.

NOTE: Effective 06/14/2010, LASERS contributions are no longer withheld from employees receiving military differential pay. The option remains in place for reservists to pay retirement contributions on all state earnings that would have been received in order to receive retirement credit for benefit purposes.

Health Insurance Coverage:

- Employees are entitled to maintain their insurance coverage while on military leave.
- If the employee does not have sufficient pay to cover the OGB health and/or life insurance deduction through payroll, they should remit their premium directly to the agency. Agency personnel must then remit both employee and employer amounts owed to the Office of Group Benefits.
- Since insurance for miscellaneous products are not group policies, employees are responsible for coordinating with the appropriate vendors to maintain coverage for any period that deductions are not taken.

Direct LaGov HCM entry questions to the LaGov HCM Help Desk via the [LaGov HCM Help Desk](#) ticket, retirement questions to the appropriate retirement system, and health insurance coverage questions to the Office of Group Benefits.