



Office Memorandum

Date: June 16, 2014

To: Agency Payroll, HR and Accounting Staff

From: Mary Muellner, Director
Statewide Payroll Services

Subject: New Earn Code for Unpaid Military Leave

This memo is a follow-up to the Employee Shared Responsibility memo sent by MMB Assistant Commissioners on March 20, 2014.

The Affordable Care Act (ACA) includes provisions requiring all employers to offer health insurance coverage to 95% of employees working fulltime (defined as 30 hours or more/week). Employers are further required to provide reporting to the federal government to determine if the employer is meeting this Employer Shared Responsibility (ESR). HR training will be offered for agencies regarding their responsibilities.

In order to comply with the reporting requirements associated with this legislation, actual (or equivalent) hours worked must be tracked for all employees. In order to satisfy reporting requirements, a new earn code has been created. The new Earn Code is MLU – Military Leave Unpaid (short name- Mil No Pay). **Effective Date is 1/4/2012.**

MLU – Military Leave Unpaid:

- Will be used to record hours that employees “would have worked” while on Military Leave.
- Will appear on the paystub.
- Will accrue leave; however employees will not be eligible for those accruals unless they return to work.
- Prior period adjustments will need to be made by staff to track hours going back (at a minimum) to September 25, 2013 (or PPE 10/5/2013). An agency may choose to go back as far as two years in order to record accruals for employees who have been on leave going back that far.
- This may cause vacation leave to be reduced for employees who vacation balance did not get below the vacation maximum rules specified by the employee’s bargaining unit’s contract/plan. That lost vacation leave will need to be restored.

Agency Payroll, HR and Accounting staff should contact Lynda Hanly at 651.201.8074 or lynda.hanly@state.mn.us if there are questions.

PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF.