

Office Memorandum

Date: April 6, 2020
To: Agency Payroll, HR, and Accounting Staff
From: Mary Muellner, Director, Statewide Payroll Services
Subject: **Additional Earnings Codes for Paid COVID-19 Leave**

Two additional payroll earnings codes, **CVE – Care Lve Non-Family** and **FME – FMLA-COVID19 School Lve Type 2**, have been established for employees to track time when they are using Paid COVID-19 Leave as described in [HR/LR Policy 1440 \(Revised\)](#).

- Employees must complete a [Paid COVID-19 Leave Request](#) form and submit the completed form to their Human Resources office for approval.
- These new earnings codes are available effective April 1, 2020.
- The **FME** earnings code will be used to track time when using COVID-19 School Leave Type 2 (caring for children older than 12 and younger than 18 years of age). This code will be used for all employees using COVID-19 School Leave Type 2 except for employees who have already exhausted FMLA for the fiscal year.
- The **CVE** earnings code will be used to track time when using COVID-19 Care Leave for Non-Family Members.
- The **CVE** earnings code also will be used to track time when using COVID-19 School Leave Type 2 if the employee has already exhausted FMLA for the fiscal year. This is an 80-hour bank of leave (pro-rated for part-time employees).
- These COVID-19 Paid Leave earnings codes will not accrue vacation or sick leave and are not considered “hours worked.”
- Employees will report scheduled work hours using earnings codes **CVE** and **FME**. However, the earnings codes will be **paid at 2/3 of the employee’s regular hourly rate of pay**.
- The time entry validation will also perform the 2/3 calculation when performing edits.
- Employees may elect to supplement **CVE** or **FME** with vacation or compensatory time for the remaining 1/3.

Example of supplemental hours entry:

Scheduled Work Hours	Hours reported for CVE or FME	Hours reported for vacation or compensatory time if supplementing
8	8	2.64
9	9	2.97
10	10	3.30

When codes **CVE** and **FME** are processed, employees will see their hourly rate of pay reduced to 2/3. Example below shows 80 hours of **CVE** paid out at 2/3 reduction to rate of pay and supplemental 26.4 VAC hours, to bring the employee’s paycheck total to their typical net pay.

Earnings (* = Taxable Business Expenses / Relocation; # = Non-Paid)				
Rates of pay are established pursuant to statute, collective bargaining agreement, or compensation plan				
Description	Prior Period Begin Date	Prior Period End Date	Hours	Rate
COVID-19 Care Lve Non-Family			80.00	20.394800
Vacation Leave			26.40	30.440000
Holiday Pay				
Regular Pay				

NOTE:

- Employees must exhaust COVID-19 Care Leave for Non-Family Members and COVID-19 School Leave Type 2 before taking other types of leave for those same uses.
- Hours coded to the **FME** code will be deducted from the employee’s available FMLA balance. Employees who otherwise would not be eligible for FMLA (*i.e.*, working for less than 12 months and 1250 hours) will have an FMLA bank created which can be used only for the purpose of COVID-19 School Leave Type 2.

Questions?

Agency HR, Payroll and Accounting staff should contact Jody Dahl in Statewide Payroll Services at 651-201-8206 or jody.dahl@state.mn.us with questions.

PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF