ACTIVE MILITARY SUPPLEMENT For Classified Employees

Frequently Asked Questions

1. What is an active military supplement?

An active military supplement is a payment by the state to an employee on Leave Without Pay-Military (LWOP-military) that makes up the difference between the base state salary received as a classified employee prior to LWOP-military and the gross military salary plus allowances currently received.

2. Who is eligible to receive a supplement to military pay?

Classified employees of Executive Branch agencies, including classified employees of institutions of higher education and the Virginia Community College System, who meet these criteria:

- they are on leave without pay-military AND
- their gross military pay (salary plus allowances) while on active military duty is less than their base state salary.

Wage, hourly or p-14 employees are not eligible to receive the active military supplement.

3. How will the active military supplement be calculated?

The amount of the active military supplement will be the difference between the employee's gross military salary plus allowances and the employee's base state salary.*

*Base state salary is defined as compensation payable annually to an employee, but does not include overtime pay, extraordinary pay, supplemental pay, bonus pay, nonpermanent shift differentials, nor termination pay for annual or sick leave.

4. How will agencies know their employees' military salary and allowances?

Agencies will need to verify the employee's gross military pay by reviewing the employee's military Leave and Earnings Statement (LES). If an LES is not available, agencies should contact DHRM for assistance in obtaining the needed military pay information.

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5. What if the employee's gross military salary is more than his or her base state salary?

No supplement is due to an employee whose gross military salary plus allowances meets or exceeds the base state salary.

6. What must the employee do to obtain the active military supplement?

The employee, or individual designated by the employee, must ensure that the agency Human Resource Office has a copy of the employee's military orders and Leave and Earnings Statement (LES) verifying the gross military salary and allowances. If this is not possible, the employee's agency should notify DHRM.

7. What happens to the active military supplement if the employee's gross military salary or allowances change?

Changes in military orders and LES reflecting changes in military salary or allowances must be forwarded to the agency's Human Resource Office promptly. Adjustments will be made to the active military supplement as necessary. Once the employee is discharged from active military duty, the supplement will end.

8. Are employees in LWOP-military when the supplement became available eligible to request and receive the active military supplement?

Yes. The active military supplement became effective March 26, 2003, the date of Governor Warner's Executive Order 44 establishing this benefit. Employees currently on LWOP-military will receive the supplement effective March 26, 2003. Agencies should try to contact employees on LWOP-military or their designated contact to obtain a Leave and Earnings Statement. If agencies are not able to get this form, they should contact DHRM for assistance.

9. When will employees called to active duty after March 26, 2003, be eligible to receive the active military supplement?

Employees will be eligible to receive the active military supplement when they are placed in LWOP-military status. The supplement normally will begin the pay period after the agency receives appropriate documentation of military salary plus allowances and direction for pay method (direct deposit or other). Because military pay is retroactive, the active military supplement will be paid retroactive to the employee's eligibility date. 10. Are employees required to exhaust all their available accrued leave (annual, compensatory, overtime, bonus, family and personal leave, and 15 days of paid military leave) in order to receive the active military supplement?

No. Employees may apply their accrued leave during military leave to maintain leave with pay status and to continue their state-paid health insurance eligibility, but they are not required to do so.

11. Is an employee eligible to receive the active military supplement while using his or her accrued leave?

No. While using accrued leave, the employee is not on LWOP. The active military supplement is paid only to employees after they are placed on Leave Without Pay – Military.

12. For what period of time are employees eligible to receive the active military supplement?

The active military supplement is available while employees are on leave without pay-military for the period covered by their military orders. The supplement may not begin before March 26, 2003 and may be granted while Executive Order 44 (2003) remains in effect up to a maximum of five years of leave without pay-military.

13. How will employees receive the active military supplement?

The active military supplement will be paid according to normal payroll procedures (direct deposit, check, etc.) and schedule. The supplement will be directly deposited for employees using direct deposit. If the employee does not use direct deposit, he or she must contact their agency to sign up for direct deposit or to provide instructions for another payment method.

14. What are the employee's responsibilities with respect to the active military supplement?

An employee on LWOP-military or the individual designated by the employee must ensure that the agency Human Resource Officer has a copy of his or her most recent military orders, showing dates of active duty, and a Leave and Earnings Statement. The employee must provide notice of change in military earnings or of discharge or any separation from military service to the agency Human Resource Officer immediately. Employees who receive active military supplement to which they are not entitled will be required to repay all such amounts. 15. Is the active military supplement available for employees who volunteer for military service, or only for those called from reserve or National Guard status?

Yes. All employees on LWOP-military and otherwise eligible may receive the supplement.

16. May an employee apply to receive the active military supplement after returning from active duty?

Yes, although it is expected that most employees will want to receive the active military supplement while they are on LWOP-military. If an eligible employee has not received the supplement during that time, the employee may apply by providing the appropriate documentation after the period of active duty or return to state service. The active military supplement will apply to the time the employee was on LWOP-military status. A supplement will not be paid for time on LWOP-military prior to the effective date of Executive Order 44 (2003).

17. Will an employee on LWOP-military be eligible to receive a supplement for hours of work designated as a holiday?

Yes.

18. Will office closings at the employee's regular work place affect the supplement?

No.

19. Will the active military supplement continue if an employee is injured in the line of duty?

Yes, as long as the employee is on LWOP-military with active military orders, the employee will be eligible for the supplement during the life of the Executive Order.

20. Will employees receiving the active military supplement remain in the active group for health care coverage?

No. Employees on LWOP-military are eligible to apply for Extended Coverage (COBRA). The state will continue to pay its portion of the health care premium for up to 18 months while employees' are under Extended Coverage (COBRA).

21. For employees on Extended Coverage for health care (COBRA), can the premium be deducted from this active military supplement?

The active military supplement will not change the process for paying Extended Coverage premiums. Employees will continue to be direct billed by the insurance carrier.

22. Can Flexible Reimbursement Account deductions be withheld from the active military supplement?

A dependent care account terminates when the employee goes on LWOP-military. Any medical reimbursement account would have to be continued according to Extended Coverage rules. Employees should contact their agency's Benefits Administrator for information.

23. Will the active military supplement be reported to the Virginia Retirement System for retirement purposes?

No. Upon return to state employment, the employee will be granted credit for the military leave time provided the discharge from active duty is not dishonorable and the employee returns to covered employment within one year of military discharge. In order to be granted the service the employee must submit an Application for Purchase of Prior Service (VRS26) along with a copy of the DD214 to the Virginia Retirement System.

For further information regarding VRS benefits while on LWOP-military, please visit the VRS website at www.varetire.org.

24. Will employees receiving the active military supplement continue to be covered by the basic group life insurance benefits?

Basic Group life insurance benefits are continued for up to 24 months while the employee is on LWOP-Military. Optional life insurance can be continued for up to 24 months provided the employee continues to submit premiums to the employer. The optional life premium can be deducted from the employee's active military supplement. Arrangements can be made through the agency Human Resource office. At the end of the 24 month period both the basic group and optional life insurance can be converted to individual policies.

For further information regarding VRS benefits while on LWOP-military, please visit the VRS website at www.varetire.org.

25. Can Section 457 Deferred Compensation Plan contributions be taken from the active military supplement?

Yes, employees may continue or enroll in Deferred Compensation. If the amount of the active military supplemental is less that the contribution the participant is currently making, a new Payroll Authorization Form must be filed with the agency payroll office. This form is available on the Plan Web site at <u>www.vadcp.com</u>. Any contributions made from the active military supplement will reduce the amount of military/uniformed services leave make up for which the participant is eligible upon returning to State employment. Employees in Section 403b plans should contact their Human Resource office for information.

26. Will the employer cash match be paid on Deferred Compensation contributions made from the active military supplement?

Yes. If the participant contributes at least \$10.00 per pay the employer will contribute the Cash Match at the rate of 50% of the employee's contribution up to \$20.00 per pay period.

27. Is the active military supplement subject to state and federal income taxes? Will FICA, OASDI, and HI be deducted?

Yes. All deductions required by law will be taken.

28. Will employees earning the active military supplement get any salary increases that the state may offer?

The active military supplement will be adjusted by the same percentage as any general pay adjustments. Increases will be applied to employees' salaries when they return to state employment from LWOP-military.

29. If salary increases are tied to performance ratings, and the employee does not have a current evaluation because of military leave, will the employee receive an increase? How will this be determined?

Yes, the most recent evaluation rating in the employee's file will be used to document performance level.