

# Payroll - SB 5021, payroll items 2021

## ▶ ARPA

Panel Discussion – Michelle Novak, Payroll Manager San  
Juan County

# Senate Bill 5021

- ▶ Passed in Senate and in House
- ▶ This bill will give public employees full credit for hours/wages if reduced during the COVID-19 crisis.
- ▶ including employees participating in a shared work program.



The screenshot shows a web browser window with the URL <https://app.leg.wa.gov/billsummary?billnumber=5021&year=2021>. Below the browser is a green header for the Washington State Legislature, featuring the state seal and the text "WASHINGTON STATE LEGISLATURE". A navigation bar includes a "Legislature Home" button and a "Bill Information > SB 5021" link. Below the navigation bar is a search prompt: "Search for another bill or initiative:".

- ▶ In short, the bill ensures that public employee's retirements will not be affected by Covid-19 work reductions.
- ▶ Past Furloughs:
- ▶ Following the 2009 recession, Legislation enacted Senate Bill 6157 and House Bill 2070
  - ▶ Providing that the average final compensation includes any compensation that was forgone by the member during the 2009-2013 fiscal periods, as a result of the employers' efforts to reduce expenditures.
  - ▶ DRS has been requesting information for these prior year furloughs, so it is highly recommended to keep good records of reductions in pay.
  - ▶ Furlough tracking:

- ▶ Example of Tracking spreadsheet – track pay period, hours and wages of reductions. This will make it easier to complete the VOE form from DRS. Do not delete this information. DRS can ask for this years down the road.

Furlough tracking		2020				fr	furlough		
elected officials - VRP (track wages only - not hours)						vrp	(electeds) voluntary reduction in pay		
						rrh	(1849) reduction in regular hours		
Name	Hour Type		hours	amount	Comments				
						For ERA reporting - add hours and amount to existing reported wages to correct for furlough or other reduction in pay			
Jane Doe	fr	06/29/2020	8.00	288.14					
	fr	07/27/2020	8.00	315.59	(Employee had step increase)				
	fr	08/31/2020	8.00	301.24					
	fr	09/25/2020	8.00	301.24					
	fr	10/05/2020	8.00	301.24					
	fr	10/30/2020	8.00	315.59					
	fr	12/24/2020	8.00	288.14					
John Doe	fr	06/08/2020	8.00	240.08					
	fr	07/20/2020	8.00	240.08					
	fr	08/17/2020	8.00	240.08					
	fr	09/14/2020	8.00	240.08					
	fr	10/19/2020	8.00	240.08					
	fr	11/30/2020	8.00	240.08					
Elected official	vrp	06/22/2020		376.58					
	vrp	07/24/2020		376.58					
	vrp	08/24/2020		376.58					
	vrp	09/23/2020		376.58					
	vrp	10/23/2020		376.58					
	vrp	11/23/2020		376.58					
	vrp	12/24/2020		376.58					

## ▶ Reporting to DRS

- ▶ Hours and wages are reported in the pay period earned.
- ▶ DRS will send the employer an RFI (Request for information) from the ERA website (Employer Reporting Application) asking for information on any reduction of hours/wages
- ▶ Usually, the RFI is requested when an employee is close to retirement and they informed DRS of a mandatory furlough or reduction in wages/hours
- ▶ The RFI will include an electronic verification form that needs to be completed for the pay periods in which the reduction occurred. Currently, the format still reads from 2009-2013, and DRS will need to update it with the years stated in 5021.
- ▶ To complete the Verification of Expenditure (VOE) form correctly, you will need to report the full wage and hours that would have been paid, as if the employee did not have the reduction in pay. (from tracking report)

- ▶ Verification of Expenditure form (VOE) on the ERA website:

- ▶ Example:

During the 2011, Jane Doe participated in mandatory furloughs. The employer originally reported for March earnings of \$4531.60 and 176.8 hours (total salary reduction of \$200.00). The correct entry for the VOE report is \$4731.60 and 184.80 hours which now makes the employee “whole” for March. Be sure to report all months with reductions on the VOE report.

- ▶ Be very careful to enter the wages and hours in the correct month and year.
- ▶ This layout can be confusing, and it is easy to make mistakes.

	2009-2010		2010-2011		2011-2012		2012-2013	
	Compensation Hours/Days		Compensation Hours/Days		Compensation Hours/Days		Compensation Hours/Days	
July					4326.03	170.30		
August					4738.08	184.00		
September					4532.01	176.00		
October								
November								
December								
January								
February								
March			4731.60	184.80				
April								
May								

  

	2009-2010		2010-2011		2011-2012		2012-2013	
	Compensation Hours/Days		Compensation Hours/Days		Compensation Hours/Days		Compensation Hours/Days	
June			4532.01	181.30				

- ▶ Be very careful to enter the wages and hours in the correct month and year of VOE.
- ▶ Earnings for the employee can be found under the “Member Management” section of the DRS Employer portal.

The screenshot displays the 'Employer Reporting Application Portal' interface. At the top, a dark brown header contains the text 'Employer Reporting Application Portal', a welcome message 'Welcome, Michelle Novak', and the organization name 'San Juan Co' with a location pin icon. On the right side of the header, there are icons for 'Messages' (an envelope) and 'Tasks' (a list with checkmarks). Below the header, a navigation bar includes three tabs: 'System/Plan', 'Profile Information', and 'Earning Information', with the latter being the active tab. A 'Search Criteria' section is visible, featuring three dropdown menus: 'System/Plan' set to 'PERS Plan 2', 'Year' set to '2011', and 'Type' set to 'Calendar Year'. A 'Show Earnings' button is positioned to the right of these dropdowns.

# ARPA (American Rescue Plan Act) - payroll changes/ Cobra

## ▶ **Paid Leave**

- ▶ While the ARPA does not require employers to provide paid leave for employee absences related to COVID-19.
- ▶ As of April 1, 2021, employers may voluntarily offer another 10 days of paid sick leave to employees.
- ▶ The first two weeks of EFMLA may now be paid at 2/3 the regular rate of pay (previously unpaid)

## ▶ **Cobra**

- ▶ From April through September 2021, free COBRA coverage is available for employees (and their covered family members) who lost group health insurance due to an involuntary termination or reduction in hours due to the pandemic. Does not apply to those who voluntarily quit employment.

- ▶ For more information regarding ARPA, please go to the link below:

- ▶ <https://www.congress.gov/bill/117th-congress/house-bill/1319/text>