

POLICY



MEMORANDUM

SUBJECT: Military Pay, Military Differential Pay and Benefits for State Employees	REVISION NO.: POLICY NO.: 11
ISSUED BY: Office of Planning and Budget Georgia Merit System	

1. Legislative Authority

O.C.G.A §38-2-279 authorizes state agencies to provide for a military differential pay for employees, who are or become a voluntary member of any force of the organized militia or of any reserve force or reserve component of the armed forces of the United States, and as a member of such force or reserve component to be absent from duties or service of the state while in attendance at any service school or schools conducted by the armed forces of the United States or while engaged in the performance of ordered military duty including going to and returning from such duty.

Specific rules (State Personnel Board Rule 18.500) and guidelines detailing how agencies should handle employee pay and benefits in regards to this policy have been developed by the State Merit System, the Department of Community Health, and the Employees Retirement System. These combined guidelines are available on the following websites and are attached to the policy as Attachment A: www.gms.state.ga.us; www.dch.georgia.gov; or www.ers.georgia.gov.

2. Definitions

- 2.1. "Federal fiscal year" means October 1st through September 30th.
- 2.2. "Military differential pay" means the difference between an employee's government salary and his/her base military salary, when the government salary is greater than the military salary.
- 2.3. "Ordered military duty" means any military duty performed in the service of the State or of the United States, including but not limited to, attendance at any service school or schools conducted by the armed forces of the U.S. by an employee as a voluntary member of the National Guard or any reserve force or reserve component of the armed forces of the U.S. pursuant to orders issued by the competent State or federal authority.

- 2.4. "Employee" means every person who receives any pay, salary, or compensation of any kind from the state or who is in any department of the state, but shall not include persons employed on a temporary basis.

3. Funding

There will be no additional funding provided for the purpose of this policy. Unless funds are otherwise appropriated by the General Assembly for this purpose, each agency choosing to implement a military leave pay differential program is expected to fund this program with funds already available to the department.

4. Leave of Absence

- 4.1. For Service Schools. Every employee who is or becomes a voluntary member of any force of the organized militia or of any reserve force or reserve component of the armed forces of the United States **shall** be entitled to a leave of absence while in attendance as a member of such force or reserve component at any service school or schools conducted by the armed forces for a period not to exceed six (6) months during any four (4) year period.
- 4.2. For Ordered Military Duty. Every employee **shall** be paid his/her salary or other compensation for any and all periods of absence while engaged in the performance of ordered military duty and while going to and returning from such duty for a period not to exceed eighteen (18) days in any one federal fiscal year.
- 4.3. For Ordered Military Duty as Declared by the Governor. In the event the Governor declares an emergency and in doing so orders any employee to military duty as a member of the National Guard, such employee **shall** be paid his/her salary or other compensation for a period not to exceed 30 (thirty) days in any federal fiscal year.

5. Extended Leave of Absence for Ordered Military Duty

On or after July 1, 2002, should an employee be engaged in the performance of ordered military duty, including going to and returning from such duty, which exceeds the time provided for in sections 4.2 and/or 4.3 in this policy, such employee **may** be paid by his/her state employer the difference between his/her government salary and his/her military salary, when the government salary is greater than the military salary.

Employees must provide notification of being ordered to active military duty and provide proof of honorable discharge at the end of such duty.

In order to receive the military differential pay, employees must provide documentation which shows base pay and any other forms of compensation to their respective human resources personnel office.

6. Benefits

6.1 State of Georgia Cafeteria Plan

6.1.1 Employees called to active military service may elect to continue certain benefits offered through the Cafeteria Plan or elect to discontinue them under the Qualified Change of Status rules.

6.1.2 Employees who elect to continue their benefits may do so in three ways:

- Personal payments mailed directly to either the Flexible Benefits Program (FBP) or to the State Health Benefit Plan (SHBP). These payments will be on an after-tax basis. Or,
- Deductions from the Military Differential Pay, if this pay is sufficient to cover the benefits. These deductions will be pre-tax for those benefits normally deducted on a pre-tax basis. Or,
- A combination of the above.

6.2 Pension and Retirement System Benefits

6.2.1. While engaged in the performance of ordered military duty, employee contributions to any pension or retirement system **shall** be deducted from the salary or other compensation paid to the employee.

A. In the event the contribution exceeds the amount of such salary or compensation which the employee is entitled, the employee shall have the right to pay to the pension/retirement system, from time to time at any time while engaged in ordered military duty or within five years after the date of termination of the ordered military duty, the amount by which the contributions exceed the salary or compensation.

B. In the event the employee receives no salary or other compensation, the employee shall have the right to pay to the pension/retirement system, from time to time at any time while engaged in ordered military duty or within five years after the date of termination of the ordered military duty, the amount he/she would have contributed to the system.

C. In the event of the death of the employee, while engaged in ordered military duty, the payments or any part thereof may be made by the named beneficiary or the legal representative of the employee's estate within one year following proof of such death.

6.2.2 While engaged in the performance of ordered military duty the employee **shall** be entitled to all benefits of the pension/retirement system of which employee is a member except accidental disability retirement and accidental death benefit.

7. Exceptions

7.1 This policy shall not apply to any employee who was or is involuntarily transferred, assigned, drafted, or inducted to or into any of the forces of the organized militia or any of the reserve forces or reserve component of the armed forces of the United States.

7.2 This policy shall not apply to any employee who was or is inducted into the armed forces of the United States, but not as a member of any force of the organized militia or of any reserve force or reserve component of the armed forces of the United States.

8. Effective Date

These rules, regulations and procedures shall become effective September 1, 2006 and may be updated and revised by the Office of Planning and Budget and the Merit System from time to time as necessary for the effective administration of the State law authorizing the payment of military differential pay.

Attachment A

Military Pay, Military Differential Pay and Benefits for State Employees Guidelines

Military Differential Pay Overview

O.C.G.A. §38-2-279 authorizes state agencies to provide for a military differential pay for employees who are or become a voluntary member of any force of the organized militia or of any reserve force or reserve component of the armed forces of the United States, and as a member of such force or reserve component to be absent from duties or service of the state while in attendance at any service school or schools conducted by the armed forces of the United States or while engaged in the performance or ordered military duty including going to and returning from such duty.

When an employee receives orders for military duty, s(he) is to immediately notify the agency human resource office, express a desire to apply for military differential pay and provide a copy of the military orders. The agency human resource office will provide the employee forms for continuation of benefits under the Flexible Benefits Program. These forms are to be completed prior to the employee's deployment. The human resource office will also provide information to the employee regarding his/her retirement contributions and Peach State Reserves contributions, if applicable.

Military differential pay is the difference between the employee's base government salary and his/her base military salary. An employee is only eligible for military differential pay when his /her base military pay is less than their base government salary. In order to determine eligibility, the employee should provide personnel with a full month's military pay voucher within six months of deployment. Depending on when the employee is deployed will determine if the first military pay voucher is for a full month or not.

Employees receiving differential pay should send copies of pay vouchers monthly to their personnel office. Increases or decreases in pay may cause a change or cancellation of differential pay.

Specific guidance related to the State of Georgia Cafeteria Plan (Flexible Benefits Program and State Health Benefit Plan), Employees' Retirement System and Peach State Reserves follows.

I. Benefit Information:

A. State of Georgia Cafeteria Plan (Flexible Benefits and State Health Benefit Plan)

1. Employees called to active military service may elect to continue certain benefits offered through the Cafeteria Plan or elect to discontinue them under the Qualified Change of Status rules.
2. Employees who elect to continue their benefits may do so in three ways:

- a. Personal payments mailed directly to either the Flexible Benefits Program (FBP) or to the State Health Benefit Plan (SHBP). These payments will be on an after-tax basis.
 - b. Deduction from the Military Differential Pay, if this pay is sufficient to cover the benefits. These deductions will be pre-tax for those benefits normally deducted on a pre-tax basis.
 - c. A combination of (a) and (b).
3. Employees will be responsible for notifying their personnel/payroll office to have deductions taken from their Military Pay. Benefit deductions (other than retirement contributions) will not be taken from this pay, unless specifically requested by the employee or the employee's designee.

B. Employees' Retirement - Mandatory

1. Military Differential Pay, for Employees ordered to active duty in the Reserves or guard, will be subject to contributions for the Employees' Retirement System (ERS), Teachers' Retirement System (TRS) or Public School Employees' Retirement System, (PSERS).
2. If differential pay is sufficient, a full month's normal contribution (based on the salary preceding military duty) will be withheld. If the required contributions exceed the amount of differential pay, no retirement contributions will be withheld, and the employee shall have the right to pay the required contributions directly to the respective retirement system at any time during military duty or within five years of the termination of military duty.

C. Peach State Reserves

1. Employees called to active military service may elect to continue Peach State Reserves contributions or elect to discontinue them. Employees may NOT make contributions other than through payroll deduction.
2. Employees will be responsible for notifying their personnel/payroll office to have deductions taken from their Military Differential Pay. Peach State Reserves deductions will not be taken from the pay, unless specifically requested by the employee or the employee's designee.

II. Deduction Guidelines:

Employees Responsibilities:

A. State of Georgia Flexible Benefits Program

1. Employees electing to continue Flexible Benefits options while on active duty should complete the Military Leave of Absence Premium Payment Notice indicating how they choose to pay for these benefits (see Section 1 A referenced above). This form can be obtained through the personnel/payroll office or on the following website: www.gms.state.ga.us

2. Personal payments for Flexible Benefits Program should be remitted to:

Flexible Benefits Program
PO Box 347279
Atlanta, GA. 30334

3. Employees wishing to change their Flexible Benefits Program options must complete and return a Change of Status Form to their personnel/payroll office. This form can be obtained through the personnel/payroll office or on the GMS website.

B. State Health Benefit Plan

1. Employees electing to continue Health Insurance options while on active duty should complete the Georgia Department of Community Health Request to Continue Health Benefits During Leave Without Pay form indicating how they choose to pay for these benefits (see IA2 above). This form can be obtained through the personnel/payroll office or on the following website:

Department of Community Health (DCH) www.dch.state.ga.us

2. Personal payments for the State Health Benefit Plan should be remitted to:

State Health Benefit Plan
PO Box 38342
Atlanta, GA 30334

No deductions will be taken without the above form(s) signed by the employee or his designees.

The completed form(s) should be remitted to the Employees' personnel/payroll office.