



California Public Employees' Retirement System  
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## Payroll

# Circular Letter

June 3, 2021

Circular Letter: 200-023-21

Distribution: IV, VI, X, XII, XVI

**To:** All CalPERS Employers  
**Subject:** COVID-19: Supplemental Paid Sick Leave

### Purpose

The purpose of this Circular Letter is to provide employer guidance on how to report the expanded COVID-19 supplemental paid sick leave under the existing Healthy Workplaces, Healthy Families Act of 2014 to CalPERS. If further guidance is issued or information is made available that affects our initial determination on these matters, we will provide an update.

### Background

The Healthy Workplaces, Healthy Families Act of 2014 entitles an employee who works in California for the same employer for 30 or more days within a year from the beginning of employment to paid sick days. Under the existing law, an employee accrues paid sick days at a rate of at least one hour per every 30 hours worked, subject to certain use, accrual, and yearly carryover limitations. Senate Bill 95 was chaptered on March 19, 2021 to provide 80 hours of COVID-19 supplemental paid sick leave for covered employees.

### Membership Reporting

All hours of the COVID-19 supplemental paid sick leave paid to an employee should be reported to CalPERS. These hours are to be included when determining if a part time, seasonal, or intermittent employee reaches 1,000 hours of service within a fiscal year (Government (Gov.) Code section 20305(a)(3)(B)).

## **Post Retirement Employment Reporting**

Retired annuitants cannot accrue paid sick leave as outlined in [Circular Letter 200-038-15 \(PDF\)](#); however, retired annuitants can receive the COVID-19 supplemental paid sick leave if they are unable to work due to any of the reasons detailed for covered employees. COVID-19 supplemental paid sick leave is not considered a prohibited benefit under applicable working after retirement laws and a retired annuitant who receives the COVID-19 supplemental paid sick leave will not be subject to reinstatement solely for receiving those payments. However, all hours of COVID-19 supplemental paid sick leave paid to a retired annuitant should be reported to CalPERS. These hours will be included in the 960-hour per fiscal year limitation for all retired annuitants (Gov. Code section 7522.56(d)).

## **Compensation Reporting**

All paid hours of COVID-19 supplemental paid sick leave are considered compensation earnable or pensionable compensation and should be reported to CalPERS.

## **Payroll Reporting**

The COVID-19 supplemental paid sick leave should be reported in the same manner as other sick leave. The COVID-19 supplemental paid sick leave should be reported at the member's regular full-time base pay rate with the appropriate corresponding earnings that were paid to the employee, not to exceed earnings for full-time service. The full-time pay rate reported to CalPERS for both items must comply with Gov. Code sections 20636 and 20636.1 of the Public Employees' Retirement Law and Gov. Code section 7522.34 of the Public Employees' Pension Reform Act of 2013 and should not include additional benefits or non-pensionable items.

CalPERS will continue to monitor the impact of COVID-19 on our stakeholders and will communicate additional information as it is made available.

## **Questions**

If you have any questions or concerns, contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

Renee Ostrander, Chief  
Employer Account Management Division