

MILITARY LEAVES



As the result of recent national events, a number of employees may be called to duty in the uniformed services. Across the country, employers are issuing statements on employment and benefit rights during military leave. Under the federal statute governing military rights, the guiding principle is that the same benefit rights are granted that would have accrued if the military leave had not occurred. Rights are restored upon reemployment. If a plan permits loans, the loan rules will determine if payments may be suspended during the leave.

To qualify for military rights, the participant must provide oral or written notice of military duty and return to work within certain time limits. If service was for more than 180 days, the time limit is 90 days after completion of military duty. Shorter time limits apply to shorter periods of service.

In defined benefit plans, retroactive service and compensation credit is given for the leave. In defined contribution plans, service is credited and contributions are made retroactively. The returning participant has the right to make up pre-tax and after-tax employee contributions. Matching contributions are required if the participant makes up contributions eligible for a match.

When completing McCready and Keene's census request, please provide the date the leave begins, compensation for the 12 months immediately prior to the leave, and the date of reemployment or termination.