



# Reporting Different Pay Types


PERA prohibits recording and distribution of this presentation.





TODAY'S  
AGENDA

# Agenda

- Regular, Pay Type 01
  - Compensatory, Pay Type 02
  - Retroactive, Pay Type 05
  - Excess Salary
  - School Employer Reporting
- 

## Only report PERA-eligible earnings on the SDR:



- Gross, pre-tax salary
- Overtime/retroactive pay
- PTO (used)
- Performance-based bonus



- Expense reimbursements
- Retirement incentives
- Payment for unused PTO
- Other bonus payment



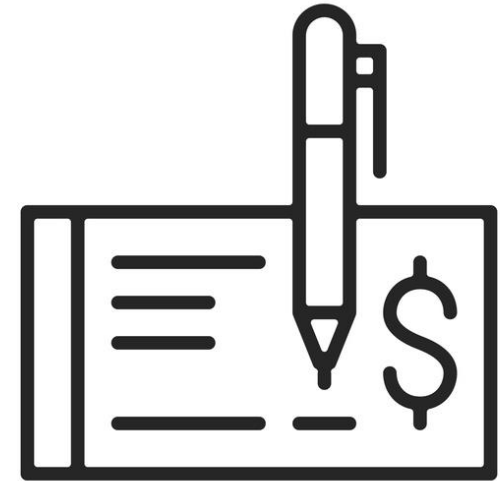


# Common Pay Types



## Regular Pay – Pay Type 01

- Salary or compensation earned by and paid to an employee in the current pay period.
- If missed being paid out or reported:
  - Should be reported on a separate line from the current pay period
  - Report the coverage dates in which the pay was **earned**



## Regular Pay Example

Pay Type	Wages	Coverage Dates
<del>Regular Pay (01)</del>	<del>\$700.00</del>	<del>03/01/26 – 03/31/26</del>



## Lump-Sum Comp Pay – Pay Type 02

- Lump-sum payments of unused, accrued, or banked compensatory (overtime) hours
- Includes pay that is banked and paid out as a lump sum
- Report the coverage dates in which the banked hours/wages were **earned**



## Lump-Sum Holiday Pay – Pay Type 02

- Lump-sum payments for accrued holidays
- Additional pay for working on a scheduled holiday
- Report the coverage dates in which the banked hours/wages were **earned**



## Comp Pay Example

Pay Type	Wages	Coverage Dates
<del>Regular Pay (01)</del>	<del>\$8,575.00</del>	<del>12/01/25 - 12/14/25</del>



## Retroactive Pay – Pay Type 05

- Contract or union settlement wage increases
- Performance or merit-based bonuses
- Pay for work performed before the current payroll period



## How to Report Retroactive Pay

- Report separately from regular pay
- Report the coverage dates in which the pay was **earned**, not paid
- Regular wages that were missed being paid out/reported should be reported as regular pay—**not** as retroactive pay



## Report the dates in which salary is **earned**

- Retroactive/lump-sum pay
- Off-cycle checks
- Overtime from a previous pay period



## Retro Pay Example

Pay Type	Wages	Coverage Dates
<del>Regular Pay (01)</del>	<del>\$4,576.00</del>	<del>06/01/25 - 10/15/25</del>



## Bonus Pay – Pay Type 05

- Performance or merit-based bonuses
- Hazard pay that increases a member's hourly rate of pay
- Longevity or retention pay that is paid as routine wages on a periodic basis of at least annually

**These payments *must* be attached to a specific earnings period**



## How to Report Bonus Pay

- Should be reported separately from regular pay
- Payments should be reported with a specific earnings period



## Bonus Pay Example

Pay Type	Wages	Coverage Dates
<del>Regular Pay (01)</del>	<del>\$2,007.00</del>	<del>12/15/25 – 12/31/25</del>
Regular Pay (01)	\$1,507.00	12/15/25 – 12/31/25
Retro Pay (05)	\$500.00	01/01/25 – 12/31/25





# Reporting Excess Salary




## Excess Salary

- The IRS sets an annual limit on salary eligible for contributions under the Internal Revenue Code (IRC)
- Applies to a very small percentage of PERA members
- Employers and PERA must monitor excess salary on a pay period basis

2026 ELIGIBLE SALARY LIMITS	
PAY PERIOD	LIMIT
Annually	\$360,000
Monthly	\$30,000
Semi-monthly	\$15,000
Bi-weekly	\$13,846.15

More details in **Chapter 7: Contribution Reporting** of the Employer Manual



## Excess Salary

- Wages that exceed the IRS limit are ineligible for PERA:
  - Do not report on the SDR
  - Do not withhold deductions
  - Only report the eligible portion
    - Code appropriately as earned



## Excess Salary – Same Pay Period

Pay Type	Wages	Overtime	Coverage Dates
<del>Regular Pay (01)</del>	<del>\$17,450.00</del>	<del>\$10,000</del>	<del>03/01/26 – 03/15/26</del>



## Excess Salary – Different Pay Period

Pay Type	Wages	Coverage Dates
<del>Regular Pay (01)</del>	<del>\$15,000.00</del>	<del>06/01/26 – 06/14/26</del>





# Reporting for School Employers



## School Employee – Current Pay Cycle

<b>Pay Type</b>	<b>Wages</b>	<b>Coverage Dates</b>
Regular Pay (01)	\$2,500.00	03/16/26 – 03/31/26



## School Employee – Paid Two Weeks Behind

<b>Pay Type</b>	<b>Wages</b>	<b>Coverage Dates</b>
Regular Pay (01)	\$1,887.56	03/01/26 – 03/15/26



## Coaching/Stipend Payment in Addition to Regular Wages

Pay Type	Wages	Coverage Dates
<del>Regular Pay (01)</del>	<del>\$5,387.56</del>	<del>06/01/26 – 06/15/26</del>



## Contract Payout – Summer Transaction (Nine-Month Employee)

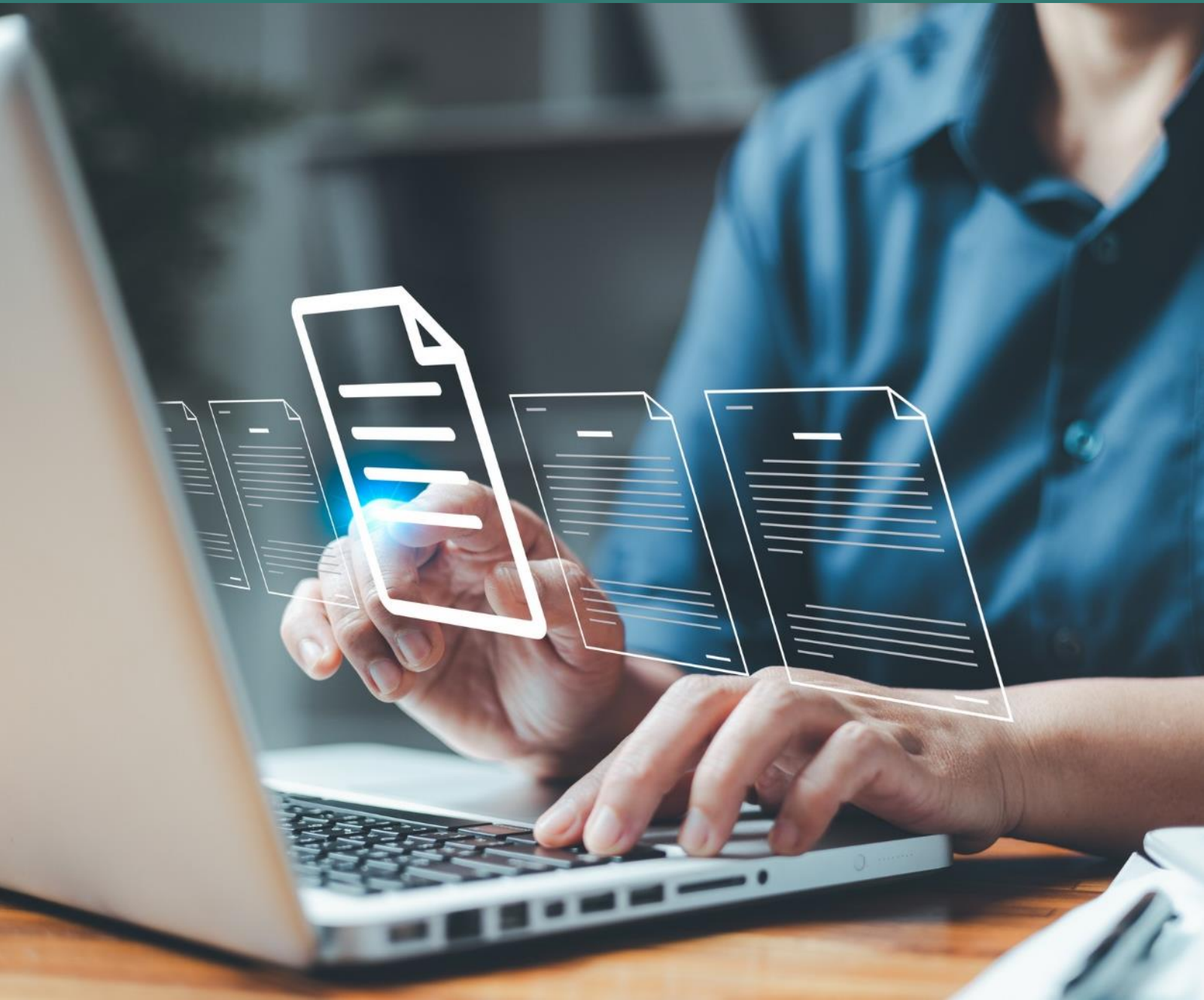
Pay Type	Wages	Coverage Dates	FY Indicator
<del>Regular Pay (01)</del>	<del>\$1,500.00</del>	<del>07/01/26 – 07/15/26</del>	<del>None</del>



## Contract Payout – Lump Sum (Nine-Month Employee)

Pay Type	Wages	Coverage Dates	FY Indicator
<del>Regular Pay (01)</del>	<del>\$6,229.28</del>	<del>06/01/26 – 06/15/26</del>	<del>None</del>





# Resources





ELIGIBILITY ▾

REPORTING ▾

RESOURCES ▾

SOCIAL SECURITY ▾

SVF ▾

Resource Dashboard

Employer Programs

Employer Videos

Employer Forms and Publications

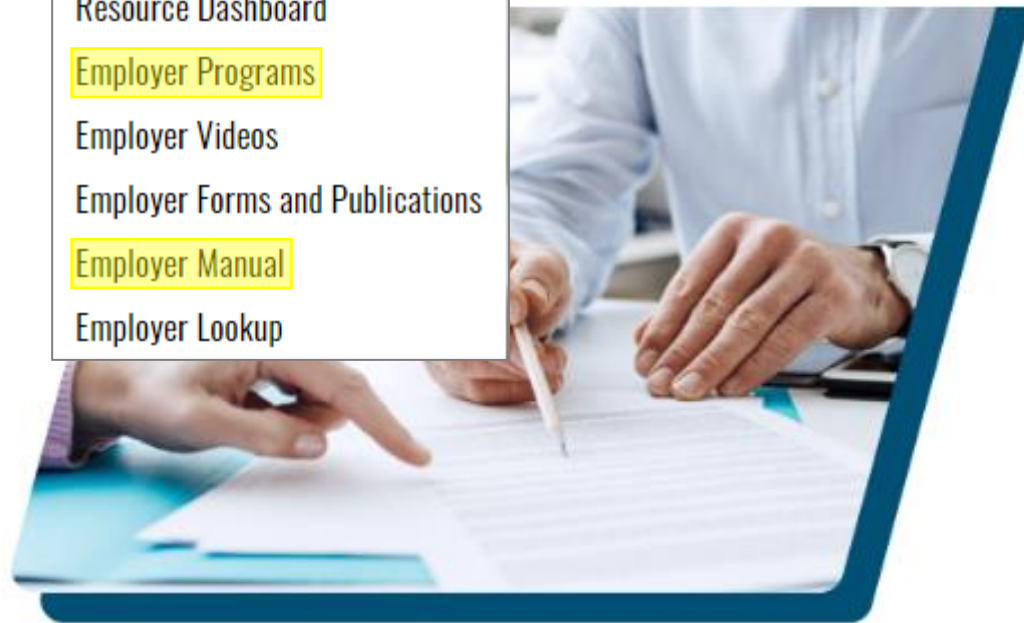
Employer Manual

Employer Lookup

# Welcome, PERA Employers

PERA employers now have a new home.

GET STARTED



↳

I'm here to...

## Have questions on reporting salary? Contact Account Operations!

- Send an email to [Employer.Reps@mnpera.org](mailto:Employer.Reps@mnpera.org)
- Include:
  - Employee's name
  - Paid date
  - Coverage dates
  - Gross pay amount
  - Reason for pay



## Have questions about salary eligibility? Contact the Eligibility Team!

- Send an email to [eligibility@mnpera.org](mailto:eligibility@mnpera.org)
- Include:
  - Employee's name
  - Paid date
  - Coverage dates
  - Gross pay amount
  - Reason for pay



- Regular pay should be reported separately from comp pay and retro pay
- Use the coverage dates of when the pay was earned—**not** when it is paid out
- For employees whose earnings exceed the IRS limit:
  - Report only the eligible earnings and deductions up to the limit
  - Employer will need to monitor and cap employees as needed





PERA is governed by Minnesota Statutes; especially chapters 11A, 353, 353A, 353D, 353E, 353F, 353G, 356 and 356A.

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# Wrap-up and Questions

## Contact Us

[www.mnpera.org/employers](http://www.mnpera.org/employers)

651.296.3636

1.888.892.7372

## Reporting Questions:

Email: [Employer.Reps@mnpera.org](mailto:Employer.Reps@mnpera.org)

Web Message Topic: Reporting

## Eligibility Questions:

Email: [Eligibility@mnpera.org](mailto:Eligibility@mnpera.org)

Web Message Topic: Eligibility

