PERA

Flagged Contribution Reports

Higher Than Normal Salary + Contributions After Termination

Employer reporting training

PERA prohibits recording and distribution of this presentation.

Today we'll cover:

01 — What a Higher Than Normal Salary Report is

02 — Common causes of salary flags

03 — How to respond in ERIS

04 — What creates Contributions After Termination issues

05 — Best practices for salary and coverage dates

06 — Live Q&A

What is a Higher Than Normal Salary Report?

HIGHER THAN NORMAL SALARY

A review triggered when reported earnings appear significantly higher than an employee's usual salary.

Why PERA reviews unusually high salary

- Identify potential reporting errors
- Make sure retirement benefits are calculated correctly
- Verify that only PERA-eligible salary is reported

The goal is accurate reporting for accurate member benefits.

Most flags have an ordinary explanation

Increased hours, pay rate increase, or one-time payments or payouts that are included with regular wages or reported with coverage dates that don't match the work period.

INCREASED HOURS

INCREASED PAY RATE

INCORRECT COVERAGE DATES

STIPEND OR RETRO PAY

PAYOUT OF UNUSED PAID TIME OFF

Ask:

- Is this the correct pay type?
- Were these wages all earned during the reported coverage period?
- Is the employee working more or earning more?
- Did the employee have any payouts or stipends and are those eligible for PERA deductions?

Higher Than Normal Salary Report

How is it identified?

PERA compares:

- Historical earnings
- Number of days worked
- Current reported earnings

≈ 2×

normal earnings

Salary may flag when reported earnings are approximately double or more than the employee's normal pattern.

Higher Than Normal Salary Report

Normal Earnings	Higher Than Normal Salary	Incorrect Coverage Dates
$1,400 / 14 Days = $100 Per Day	$3,500 / 14 Days = $250 Per Day	$1,400 / 4 Days = $350 Per Day

Paid Date	Coverage Start	Coverage End	Earnings
03/20/2026	02/26/2026	03/11/2026	**$3,500**
03/06/2026	02/12/2026	02/25/2026	$1,400
02/20/2026	01/29/2026	02/11/2026	$1,400
02/06/2026	01/15/2026	01/28/2026	$1,400
01/23/2026	01/01/2026	**01/04/2026**	$1,400

Higher Than Normal Salary Report

A flagged transaction does not mean an error occurred

FLAG ≠ ERROR

It means the salary needs review.

If the payment is appropriate and reported correctly, the earnings can be explained, and the flag can be resolved.

Higher Than Normal Salary Report

Where will you see the report?

1	**ERIS**	Report appears under Pending Reports
2	**EMAIL**	Users who can modify pending reports are notified
3	**RESPOND**	Prompt responses help prevent delays and follow-up

Can’t see the report? Check with your ERIS Administrator for permission to modify pending reports.

Responding in ERIS

Choose the explanation that most accurately describes the payment.

1. **Overtime / Increased Hours**
   One-time occurrence
2. **Overtime / Increased Hours, New Position or Pay Raise**
   Ongoing occurrence
3. **Different-period wages**
   Coaching lump sum, retroactive pay, comp pay, contract/summer payout
4. **Unused Sick or Vacation Pay**
5. **None of the above**
   Explanation required

Eligible vs. ineligible salary

Some payments are PERA-eligible — and some are not.

Common eligible payments

- Overtime
- Increased hours worked
- Retroactive pay
- Contract payouts
- Comp time payouts
- Coaching wages

Common ineligible payments

- Unused PTO
- Unused sick leave
- Unused vacation leave
- Severance
- Allowances
- Reimbursements

When in doubt, contact PERA before reporting the earnings.

Higher Than Normal Salary Report

Why careful reporting matters

Reporting ineligible salary can…

Affect a member’s PERA benefit

Require corrections and adjustments

Create refunds and credits that must be processed later

Careful review now reduces corrections, credits, and follow-up later.

What are Contributions After Termination?

CONTRIBUTIONS AFTER TERMINATION

Earnings are reported with coverage dates after the employee's reported termination date.

PERA reviews these situations manually and may contact the employer for clarification.

Contributions After Termination

Common causes

Post-termination earnings can come from PERA eligible payments — but each still needs the right eligibility and coverage-date treatment.

- **Retroactive pay**
- **Comp time payouts**
- **Contract increases**
- **Back pay**
- **Missed hours**
- **Vacation or sick leave payouts**

Some are PERA-eligible and some are not — additional review may be needed.

Coverage dates matter

Coverage dates should reflect when the work was performed, not when the employee was paid.

This distinction prevents wages from appearing to belong after the employee's termination date when the work actually occurred before it.

Contributions After Termination

Example: John terminated 05/24/2026

John's reported earnings:

Paid Date	Coverage Start	Coverage End	Earnings
06/18/2026	**05/25/2026**	**06/07/2026**	**$1,500**
06/05/2026	05/11/2026	05/24/2026	$1,500
05/22/2026	04/27/2026	05/10/2026	$1,500

Why the first row flags:

Its coverage starts 05/25/2026 — the day after John's termination date.

Earlier reports continue back through John's employment history.

Best practices

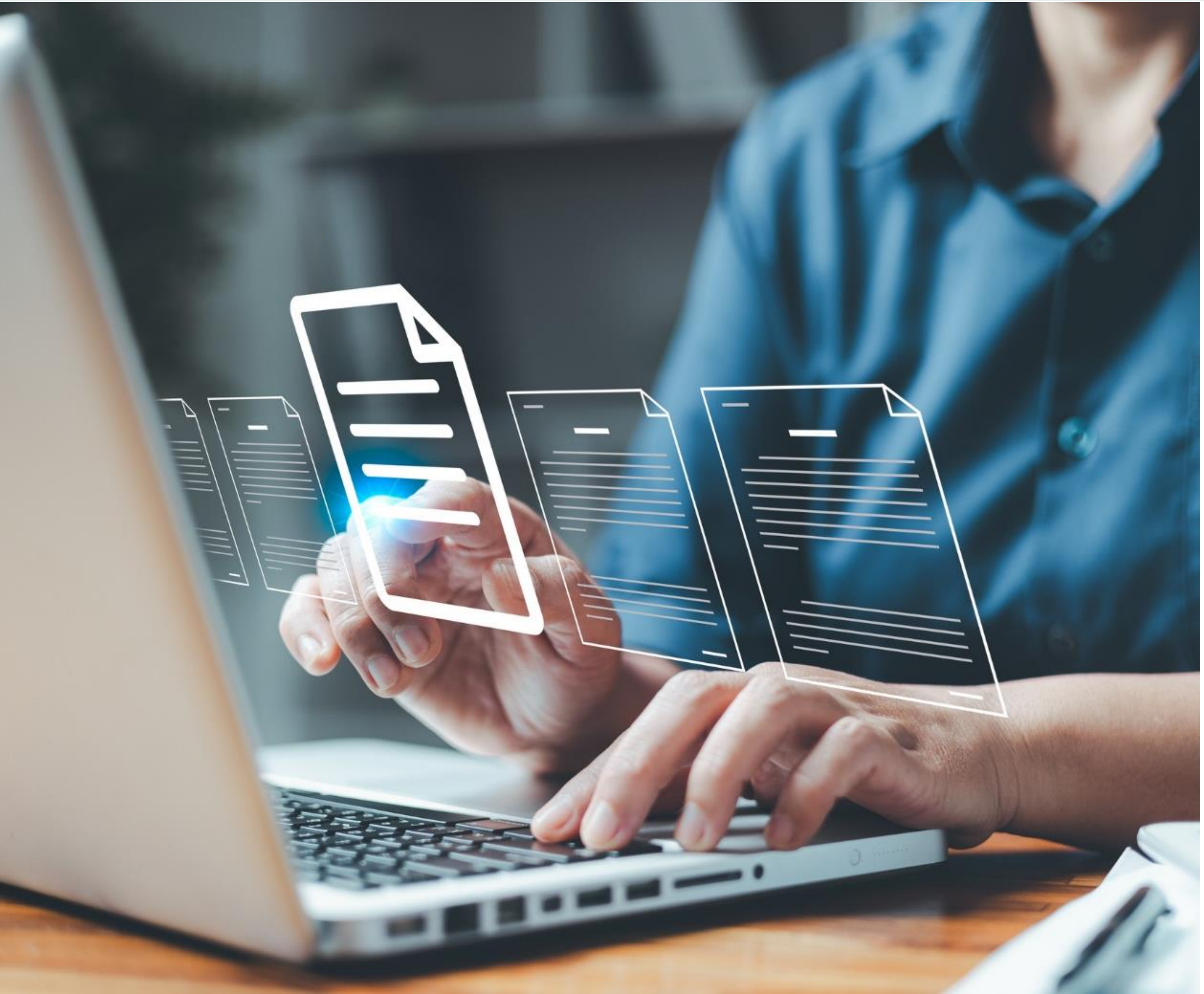
Higher Than Normal Salary

- Review ERIS reports promptly
- Verify unusually high earnings
- Report only PERA-eligible salary
- Contact PERA if you're unsure

Contributions After Termination

- Report accurate termination dates
- Base coverage dates on when work was performed
- Review unusual post-termination payments before reporting

Accurate dates + eligible salary + prompt review = fewer corrections later.



Resources

Resources

Employer videos

Use the Employer Videos section for step-by-step reporting guidance.

Higher Than Normal Salary Reporting

Review the salary-flag workflow and employer response options.

Reporting Contributions After Terminated Employment

See how termination and coverage dates interact when earnings are reported later.

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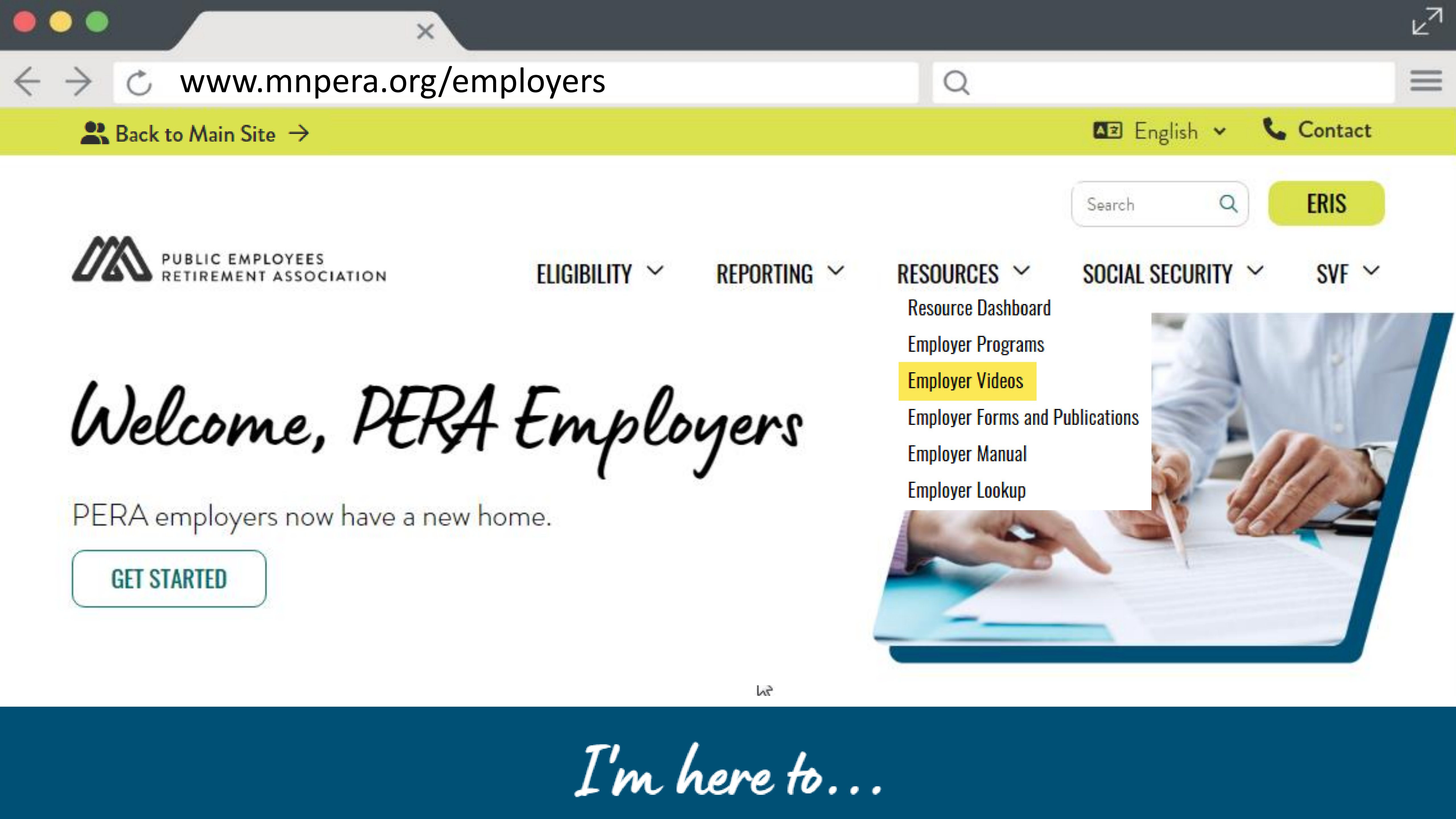

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PERA is governed by Minnesota law

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

Changes to PERA plans — including benefit provisions and contribution rates — are made through legislation passed by the Minnesota Legislature.

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If there is a discrepancy between the law governing PERA and the information in this presentation, the statutes and regulations govern.

When guidance and governing law differ, governing law controls.

Questions?

Contact us

mnpera.org/employers • 651.296.3636 • 1.888.892.7372

Salary Eligibility

Eligibility@mnpera.org

Web Message Topic: Eligibility

Phone Option: 3

Flagged Salary Reports

ERISresponses@mnpera.org

Web Message Topic: Enrollment

Phone Option: 1

Salary Reporting

Employer.Reps@mnpera.org

Web Message Topic: Reporting

Phone Option: 2

Thank you — we're here to help.