GUIDE TO REPORTING SALARY Q&A

A. ELIGIBLE WAGES AND PAY TYPES

A1. Is a lump-sum payout of unused sick or vacation considered pay type 02?
No. Some forms of compensation are not considered salary for PERA contribution purposes. Payout of unused sick or vacation time, whether paid out in lump sum or as a periodic payment, is not PERA-eligible salary and should not be included on the salary deduction report (SDR). This is found in the section titled, "Compensation that is not Salary" in Chapter 5 of the Employer Manual.

A2. Are employee tips considered regular wages and subject to PERA deductions?
Yes, tips are considered PERA-eligible salary. See Chapter 5 of the Employer Manual.

A3. Should used compensatory time be reported separately from regular wages?
Yes, each pay type should be reported on separate lines.

A4. Can you manually report the SDR for pay type 02 or 05 if you are not able to create the electronic report?
Yes, a manual SDR can be generated in ERIS.

A5. How can I report pay type 02 compensatory time if it's paid on the same check as pay type 01? My SDR is generated by a payroll software program.
Please reach out to your software provider and refer them to Chapter 9 of the Employer Manual. Request your software provider to update the SDR format and have a separate line for each pay type.

A6. If I had incorrectly reported a pay type 02 as a pay type 01, can I contact PERA to make the correction?
Yes. You can reach us by phone at 651-296-3636 or email at employer.reps@mnpera.org.

A7. Are both lump-sum compensatory payouts and lump-sum holiday payouts reported under pay type 02? For example, a police officer receives holiday pay at the end of the year for the current year.
Yes. Lump-sum compensatory or holiday payouts are considered regular pay and should be reported as pay type 02. The coverage period of the payment should match when it was earned and not when it is paid out.

A8. Is there anything different for workers' compensation?
Workers' compensation benefit payments are not considered PERA-eligible salary and should not be included on the SDR. See Chapter 5 of the Employer Manual for more details. You can also contact our Eligibility Team by email at eligibility@mnpera.org or by phone at 651-296-3636, option 3.

A9. How should I report back pay for two employees? Can I set up a time to have someone walk me through the process?
Back pay should be reported to PERA on a separate line from current payroll dates if handled on the same SDR. If you are running a separate pay cycle just for back pay you can report that to PERA as retroactive pay type with applicable dates through your usual electronic file transmission or as a New SDR in ERIS. Any further questions can be answered by calling us at 651-296-3636 or by email at employer.reps@mnpera.org.

B. PHASED RETIREMENT OPTION (PRO)

B1. Do you have to be 62 to be in a PRO?
Yes, the member must be actively working, in the Coordinated plan, and age 62 or older.

B2. Should we stop reporting earnings once a PRO employee reaches full retirement age of 67?
No. Reporting earnings and hours for PRO members is required for the entire PRO Agreement, no matter the employee's age. Even if there are no earnings or hours in a given pay period, you are required to report this information to PERA in order to account for each payroll period within the annual PRO agreement.

B3. What are the guidelines for an employee to be on a PRO?
Our website is a great place to learn more about the PRO requirements. On our Forms & Publications page, you can find our Phased Retirement Fact Sheet and also the Phased Retirement Option Agreement.

C. OVERTIME

C1. Should we include the overtime amount in the gross earnings?
Yes. When reporting overtime, the overtime amount must be included in the total gross earnings. You will also list the overtime amount separately in the designated overtime field.

C2. Should we also add overtime hours to the total hours?
Yes, include the overtime hours in the total reported hours for the pay period.

D. EMPLOYER USER ACCOUNTS

D1. Can multiple people access online reporting?
Yes. Each entity may have two ERIS administrators. The ERIS administrators have the authority to set up unlimited ERIS representatives and provide each representative the security access specific to their position.

D2. Our entity needs to create a new ERIS account for the first time. What is the process?
Select the ERIS Login option under the Employers menu at mnpera.org. On the left side of the ERIS login window, click the blue Request Access link and follow the instructions.

D3. I am a new payroll person, how can I see the email address that is currently set up to receive PERA notices?
Your entity's ERIS administrators can view the current contacts under the Maintain Employer menu in ERIS.

E. SDR REPORTING AND ERIS

E1. I have never used the New SDR button option - I always use the Transmit File button. Is this OK?
The New SDR button is used to manually create an SDR file and mainly for employers who do not upload a formatted file. At times, employers who use the Transmit File method need to send a supplemental file that their system will not generate. In this situation, the user will utilize the Web SDR tool to create the report and manually key in the data.

E2. If our entity uploads the contribution and demographic file through our computer service bureau, do we still need to use the SDR?
PERA reports can only be uploaded using an ERIS account. Computer service providers are unable to upload files to PERA on your behalf.

E3. If I upload the SDR file and discover an error, am I able to use the manual entry area in ERIS?
Yes, the option New SDR can be used at any time. However, if you discover an error in a file that has already been submitted, do not resubmit the file. Instead, reach out to our Employer Services line at 651-296-3636 for assistance and instructions.

E4. For a pay date that includes employees on quarterly and monthly pay cycles, should we use quarterly dates when creating the SDR and then adjust the dates for each employee paid monthly?
No, two separate SDRs should be submitted. When creating a quarterly report, set it up with quarterly dates and only include quarterly-paid employees. When creating a monthly report, set it up with monthly dates and only include monthly-paid employees.

E5. Could you provide an explanation of how to use the "Note to PERA" tab when using a manual SDR?
The comments you enter on the Note to PERA tab will be sent to PERA via email with the SDR number and paid date. This information is then reviewed by our Account Technicians. No need to comment in the Note to PERA tab if the payment is off due to rounding. Our system is set up to review for rounding differences automatically.

E6. Is there a file format template for the SDR?
Yes. There are file format specifications for entities to set up the SDR. This information is provided in Chapter 9 of the Employer Manual.

E7. Is the "hours worked" field required for regular payroll reporting?
No. This field is only required for PRO employees who are working under a phased retirement agreement you have filed with PERA. This field is optional for all other employees.

E8. How do I report an employee that is terminated?
- Log in to your ERIS account and click on employee search. Enter the employee's identification data and click Search.
- Review the search results and select the employee's name to access their employment status page.
- Scroll down to the middle of their page, change the status from New to Terminated, and enter the termination date.

E9. I mistakenly entered an elected employee on the Coordinated Plan instead of the Defined Contribution Plan. I also entered him on the Defined Contribution Plan so he comes up twice on the SDR. How do I change that?
This can only be corrected by PERA. Contact us immediately and we will remove the Coordinated Plan entry.

E10. We have an on-call employee who is paid monthly. Can we submit the SDR and payment on a quarterly basis?
No. Reporting to PERA is dependent on the pay cycles of each individual employer. Every time a check is issued, you have 14 calendar days to submit an SDR and pay PERA.

F. ELECTRONIC FUNDS TRANSFER (EFT)

F1. Do check and EFT payments have the same deadlines?
Both check and EFT payments must be submitted to PERA within 14 calendar days of each payroll paid date to avoid late fees. EFT provides added control because you can choose which day funds are deducted from your account and eliminate the risk of mailing delays.

F2. Is the $1,500 EFT requirement based on monthly or pay period amounts?
It is based on your pay cycle. As of January 1, 2025, employers are required to use EFT to send payments of $1,500 or more for any pay period. We encourage all employers to use EFT to make sure their payments are secure and paid on time.

G. CREDITS AND INVOICES

G1. If an employee was not set up for PERA on time, can we go back and deduct missed employee contributions from the employee on a future check?
It depends. You may only correct missed contributions through your payroll system if the oldest missed payment was within the last 60 days. If this applies, then yes, you can deduct missed employee contributions from the employee on the next check and report the omitted deductions to PERA on a separate line of the SDR with pay type 06.

However, if the first missed contributions were more than 60 days in the past, do not make any corrections. Submit an Individual Record of Earnings and PERA will review the information to determine any missing contributions. PERA will then send you an Omitted Deduction billing statement for all missed contributions. The statement will include the amount you can withhold from the active employee. Please reach out to eligibility@mnpera.org for more information.

G2. Where can I find the credit memo and invoice information in ERIS?
We will notify you when credit memos and invoices are issued to you. They are listed in ERIS at the bottom of the "Summary/Submit to PERA" tab when completing a manual New SDR. If you notice any entries that you were not expecting, contact our Employer Services team at 651-296-3636 prior to paying. These may be created by PERA internally when resolving salary reconciliation issues.

H. ELIGIBILITY

H1. Should we report earnings for seasonal employees who are not eligible for PERA deductions?

No. The SDR should only include PERA-eligible earnings for employees who qualify for PERA. An employee who does not qualify for PERA does not have any PERA-eligible earnings yet. Excluded employees should not be sent on the SDR but instead listed on your Annual Exclusion Report. The one exception is PERA monthly benefit recipients who must be reported in the Exempt Plan on the SDR if they are under full Social Security retirement age.

H2. Should I report earnings now for a part-time employee whose monthly salary has not exceeded $425, or start once they meet the $425 requirement?

You will start reporting their earnings on the SDR once the employee meets the $425 earnings requirement. The SDR should include only PERA-eligible earnings for employees who qualify for PERA. Excluded employees should not be sent on the SDR but instead listed on your Annual Exclusion Report. The one exception is PERA monthly benefit recipients who must be reported in the Exempt Plan on the SDR if they are under full Social Security retirement age.