

SALARY REPORTING

Public employers are responsible for withholding pension contributions from eligible salary paid to public employees participating in PERA. Use the *Salary Deduction Report (SDR)* to report contributions.

SALARY DEDUCTION REPORT

Report PERA-eligible earnings and pay type, coverage dates, and member and employer contributions each pay period.

ELIGIBLE SALARY

Report gross (before tax) PERA-eligible earnings:

- » Overtime pay
- » Retroactive pay
- » Used PTO
- » Performance-based bonus payments

Do not report ineligible PERA salary:

- » Expense reimbursements
- » Retirement incentives
- » Payment for unused PTO
- » Any bonus payment that is not performance-based
- » Healthcare stipends

CORRECT COVERAGE DATES

Report the dates in which salary is earned—not the dates salary is paid. This applies to:

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

COMMON PAY TYPES

Pay type 1 (regular pay): Salary or compensation earned by and paid to an employee in the current pay period.

Pay type 2 (lump-sum compensatory pay): Lump-sum payments of unused, accrued, or banked compensatory hours or holiday time earned during a prior pay period.

Pay type 5 (retroactive pay): Wages or earnings paid to an employee for services performed during prior pay periods.

ELIGIBLE SALARY

Eligible salary counts towards the \$425 monthly threshold. Both member and employer contributions are required until the employee ends their employment. Only report gross PERA-eligible earnings.

Gross pre-tax salary includes:

- » salary paid for work during the current payroll period,
- » overtime,
- » cash tips, and
- » salary paid to district court reporters.

Holiday pay includes:

- » salary paid for a holiday off,
- » a lump-sum payment for accrued holidays, and
- » additional pay for working on a scheduled holiday.

Retroactive pay includes:

- » salary paid for work before the current payroll period,
- » a lump-sum payment for accrued/banked overtime, and
- » unused holiday pay distributed annually or when an employee terminates.

Other eligible salary includes:

- » salary paid for a current employee's court appearance,
- » jury duty compensation from the employer, and
- » salary paid by a grant (unless specifically prohibited).

ELIGIBLE SALARY CONTINUED

Salary types can be eligible or ineligible for PERA deductions.

Eligible bonus pay includes:

- » performance- or merit-based pay,
- » hazard pay, and
- » longevity or retention pay attached to a specific earnings period paid annually (or more frequently) as routine wages.

Ineligible bonus pay includes:

- » bonuses not based on performance,
- » referral or signing bonuses,
- » one-time service awards,
- » one-time longevity or retention pay,
- » incentive or recognition payments, and
- » retirement or severance incentive payments.

EMPLOYER RESOURCES

We provide resources to help you understand and complete your responsibilities related to PERA.

EMPLOYER RESPONSE TEAM

Contact our Employer Response team to ask questions and learn more about PERA.

SECURE MESSAGE

Need to send us forms, documents, or messages that contain an employee's personal information? Send a secure message on our employer's website. To send a secure message,

1. Visit mnpera.org/employers. No sign-in or password required.
2. Click Contact from the right side of the top green banner.
3. Choose a topic from the dropdown menu under "Send us a message."
4. Fill in all required fields.
5. Upload your form or document if applicable. Note: do not send Excel or Text file reports in a secure message; report files should only be submitted on ERIS.
6. Click on the green Submit button beneath the message fields to send your message.

EMAIL

Send messages to our shared inboxes which are continuously monitored by our Employer Response team.

- » Email Account Operations at Employer.Reps@mnpera.org.

In your email, include:

- Employee's name
- Paid date
- Coverage dates
- Gross Pay amount
- Reason for pay

CALL

Call Employer Services at 651-296-3636 (local) or 1-888-892-7372.

- » Every phone option is directed to a specific team.

EMPLOYER EDUCATION

PERA offers educational resources to help you meet your administrative responsibilities.

Employer Manual

Refer to the *Employer Manual* under the Resources tab on mnpera.org/employers to learn more about PERA's retirement plans and your responsibilities as an employer.

Employer Programs

Visit the Employer Programs page under the Resources tab on mnpera.org/employers where you can register for an upcoming webinar or watch an on-demand video to learn about important employer topics.

SALARY REPORTING EXAMPLES

REGULAR PAY: SUBMITTED LATE

Aaliyah Anderson works at the Township of State as a year-round maintenance employee and uses a physical timecard. On her March 30 check, she received pay for the month of March totaling \$500. In addition, she handed in a late timecard for hours worked in January, resulting in \$200 in wages owed to her. Her total paycheck was \$700.

INCORRECT REPORTING

- » Regular Pay (01)
 - Wages: \$700
 - Dates: 03/01/26–03/31/26

CORRECT REPORTING (TWO TRANSACTIONS)

- » Regular Pay (01)
 - Wages: \$500
 - Dates: 03/01/26–03/31/26
- » Regular Pay (01)
 - Wages: \$200
 - Dates: 01/01/26–01/31/26

COMPENSATION PAYOUT

Matt Mitchellson is a police officer who banked his overtime as comp pay to be paid out at the end of the year. His total comp pay is \$5,325. On Dec 31, 2025, he is paid out the total bank time, in addition to his regular biweekly wages.

INCORRECT REPORTING (ONE TRANSACTION)

- » Regular Pay (01)
 - Wages: \$8,575
 - Dates: 12/01/25–12/14/25

CORRECT REPORTING (TWO TRANSACTIONS)

- » Regular Pay (01)
 - Wages: \$3,250
 - Dates: 12/01/25–12/14/25
- » Comp Pay (02)
 - Wages: \$5,325
 - Dates: 01/01/25–12/14/25

RETROACTIVE PAYMENT

A union contract has been settled and Sam Sanchez is owed a wage increase, effective 06/01/25–09/30/25, amounting to \$1,725.50. This is being paid out on the 10/31/25 paycheck. The retroactive payment will be added to Sam's October 31, 2025 paycheck, along with their regular biweekly wages.

INCORRECT REPORTING (ONE TRANSACTION)

- » Regular Pay (01)
 - Wages: \$4,576
 - Dates: 06/01/25–10/15/25

CORRECT REPORTING (TWO TRANSACTIONS)

- » Regular Pay (01)
 - Wages: \$2,850.50
 - Dates: 10/01/25–10/15/25
- » Retro Pay (05)
 - Wages: \$1,725.50
 - Dates: 06/01/25–09/30/25

SALARY REPORTING EXAMPLES CONTINUED

IRS SALARY: SAME PAY PERIOD

Nina Nicholson works a police officer for the City of State. She normally receives biweekly wages of \$7,450. This pay period, Nina worked overtime hours resulting in overtime wages of \$10,000 in addition to her regular wages.

INCORRECT REPORTING

- » Regular Pay (01)
 - Wages: \$17,450
 - Overtime: \$10,000
 - Dates: 03/01/26–03/15/26

CORRECT REPORTING (EARNINGS CAPPED)

- » Regular Pay (01)
 - Wages: \$13,846.15
 - Overtime: 6,396.15
 - Dates: 03/01/26–03/15/26

IRS SALARY: DIFFERENT PAY PERIOD

Zoro Zimmerman banks his overtime as comp pay to be paid out in June. Their total comp pay equals \$5,500. On June, 30, 2026, they are paid out the total bank time, in addition to their regular biweekly wages of \$9,500.

INCORRECT REPORTING

- » Regular Pay (01)
 - Wages: \$15,500
 - Dates: 06/01/26–06/14/26

CORRECT REPORTING (TWO TRANSACTIONS)

- » Regular Pay (01)
 - Wages: \$9,500
 - Dates: 06/01/26–06/14/26
- » Comp Pay (02)
 - Wages: \$5,500
 - Dates: 01/01/26–05/31/26

SCHOOL EMPLOYEE: PAID CURRENT

Diane Dodd works as an administrative assistant at Peraville Schools. She is a 12-month employee whose contract is paid using the current pay cycle dates. Her March 30 check should display the following pay schedule when being reported:

CORRECT REPORTING

- » Regular Pay (01)
 - Wages: \$2,500
 - Dates: 03/16/26–03/31/26

SALARY REPORTING EXAMPLES CONTINUED

SCHOOL EMPLOYEE: PAID TWO WEEKS BEHIND

Logan Liu works as a custodian at Peraville Schools. He is an hourly employee, paid on a two-week lag. His March 30 check should display the following pay schedule when being reported:

CORRECT REPORTING

- » Regular Pay (01)
 - Wages: \$1,887.56
 - Dates: 03/01/26–03/15/26

CONTRACT PAYOUT: SUMMER FILE TRANSACTION

Lana Larson works as a paraprofessional at Peraville Schools. She is a nine month contract employee receiving payouts through the summer. Her July 15 check should display the following pay schedule when being reported:

INCORRECT REPORTING

- » Regular Pay (01)
 - Wages: \$1,500
 - Dates: 07/01/26–07/15/26
 - FY Indicator: None

CORRECT REPORTING

- » Regular Pay (01)
 - Wages: \$1,500
 - Dates: 09/02/25–06/06/26
 - FY Indicator: 2026

CONTRACT PAYOUT: LUMPED PAY

Olivia Olson works as a cafeteria manager at Peraville Schools. She is a nine month contract employee who receives a lump-sum payout of her contract at the end of the school year. Her June 15 check should display the following transactions when being reported:

INCORRECT REPORTING

- » Regular Pay (01)
 - Wages: \$6,229.28
 - Dates: 06/01/26–06/15/26
 - FY Indicator: None

CORRECT REPORTING (TWO TRANSACTIONS)

- » Regular Pay (01)
 - Wages: \$1,037.68
 - Dates: 06/01/26–06/15/26
 - FY Indicator: None
- » Regular Pay (01)
 - Wages: \$5,191.60
 - Dates: 09/02/25–06/06/26
 - FY Indicator: 2026

This publication provides general information for educational purposes and should not be construed as legal or financial advice. The statutes, rules, and regulations governing PERA may change at any time. If there is a discrepancy between the law and this publication or any information you receive orally, the law will govern.