

Michigan Public School Employees' Retirement System

A Pension and Other Postemployment Benefit Trust Fund of the State of Michigan

Archived Reporting Instruction Manual

Chapter 4 – Reportable and Nonreportable Compensation

Archived on March 18, 2022
for historical reference by reporting units of the Michigan
Public School Employees' Retirement System



**MICHIGAN OFFICE OF
RETIREMENT SERVICES**
Big Plans. Small Steps.

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4: Reportable & Nonreportable Compensation

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4.00.00: Reportable and Nonreportable Compensation

Reporting units may compensate employees as determined by their governing boards. However, not all remuneration earned may be included in the calculation of an employee's final average compensation used to calculate retirement benefits. The Public School Employees Retirement Act, MCL 38.1303(a), defines the types of earned remuneration that is compensation includable in a member's final average compensation. This chapter provides a summary of the Act's compensation definitions.

The Act, this manual, and the Office of Retirement Services are the only sources for determining if compensation is consistent with the retirement statute and eligible to be included in a member's final average compensation. We make this point because some school employers may rely on consultants to set salaries and we don't want employers to assume that the consultants take the retirement law into consideration when making their recommendations—we hope employers don't create a false sense of assurance just because they use consultants.

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4.01.00: Reportable Compensation

Compensation is defined by retirement law, Public Act 300 of 1980, MCL 38.1303(a) as follows.

Section 3a

1. Except as otherwise provided in this act, "compensation" means the remuneration earned by a member for service performed as a public school employee.
2. Compensation includes salary and wages and all of the following:
 - (a) Remuneration earned for all services performed as a public school employee including, but not limited to, teaching, coaches, and participation in extracurricular activities.
 - (b) On a current basis, investments made in a tax sheltered annuity for a public school employee as remuneration for service under this act. The remuneration shall be valued at the amount of money actually paid into the annuity.
 - (c) All amounts deducted from the pay of a public school employee, including amounts deducted pursuant to the Member Investment Plan.
 - (d) Longevity pay.
 - (e) Overtime pay for service performed outside of what is considered normal working hours for the affected employee.
 - (f) Pay for vacation, holiday, and sick leave while absent from work. As used in this subdivision, "sick leave" includes weekly workers' disability compensation payments received for personal injury in the employ of and while employed by a reporting unit.
 - (g) Items of deferred compensation, exclusive of employer contributions to the retirement system.
 - (h) Merit pay as established by a reporting unit for the purpose of rewarded achievement of specific performance objectives.
3. Compensation does not include any of the following:
 - (a) Payments for unused sick or annual leave.
 - (b) Bonus payments
 - (c) Payments for hospitalization insurance and life insurance premiums.
 - (d) Other fringe benefits paid by and from the funds of employers of public school employees.
 - (e) Remuneration paid for the specific purpose of increasing the final average compensation.
 - (f) Compensation in excess of an amount over the level of compensation reported for the preceding year except increases provided by the normal salary schedule for the current job classification. In cases where the current job classification in the reporting unit has less than three members, the normal salary schedule for the most nearly identical job classification in the reporting unit or in similar reporting units shall be used.
4. The retirement board shall require a sworn affidavit from the member that final compensation does not include the remuneration paid either directly or indirectly for actual or anticipated expenses.
5. Based upon information and documentation provided by the member, the retirement board shall determine both of the following:
 - (a) Whether any form of remuneration paid to a member is identified in this section.
 - (b) Whether any form of remuneration that is not identified in this section should be considered compensation reportable to the retirement system under this section.
6. In any case where a petitioner seeks to have remuneration included in compensation reportable to the retirement system, the petitioner shall have the burden of proof.

Please note: reportable and nonreportable compensation, as defined in the statute quoted above, only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

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4.01.01: Gross Earnings for DC Plans

Employees with a Defined Contribution (DC) component to their retirement Plan including Pension Plus, Pension Plus 2, MIP or Basic converted to DC, straight DC, and/or the Personal Healthcare Fund (PHF) are considered qualified participants. Employer and employee DC contributions for qualified participants are calculated based on gross earnings reported on a DTL4 – DC Contribution record in the Employer Reported Wages field. In contrast, the amount reported in the Employer Reported Wages field on a DTL2 – Wage and Service record is reportable compensation. See section 4.01.00: Reportable Compensation.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Gross earnings include any compensation reported on a participant's W-2 or 1099R form as earnings for services performed for the employer, including but not limited to amounts deferred or contributed to an annuity at the election of the participant. Wages for workers' compensation, short-term disability or long-term disability are not considered gross earnings and should not be included in the Employer Reported Wage field on the DTL4 record for calculating employer and employee DC contributions. **Note:** Gross earnings may include more than the amount listed in Box 1 (Taxable Wages) of the employee's W-2. Additional earnings include items exempt from taxable wages.

Examples of Gross Earnings

- Wages
- Salary
- Bonuses
- Longevity pay
- Cash in lieu of an excluded benefit
- Employee amounts contributed to an annuity (excluded from Box 1 of W-2)
- Employee costs to an employer-sponsored healthcare plan (excluded from Box 1 of W-2)

Example of Reporting Gross Earnings

\$47,000 Taxable income reported on Box 1 of W-2

+\$3,000 Pre-tax employee contributions to a tax-sheltered annuity

\$50,000 Gross earnings (amount to be reported in the Employer Reported Wages field on the DTL4 record)

Last updated: 05/20/2020

4.02.00: IRS Reportable Compensation

The Internal Revenue Service (IRS) imposes a calendar year limit on reportable compensation for 401(a)(17) retirement plans. The limit applies to those employees who became members of this retirement system after October 1, 1996. ORS will provide updated figures here each year.

IRS annual limits to reportable compensation

Calendar Year	Reportable Compensation Limit
2022	\$305,000
2021	\$290,000
2020	\$285,000
2019	\$280,000
2018	\$275,000
2017	\$270,000
2016	\$265,000
2015	\$265,000
2014	\$260,000
2013	\$255,000
2012	\$250,000
2011	\$245,000
2010	\$245,000
2009	\$245,000
2008	\$230,000
2007	\$225,000

There are additional reportable compensation limits related to salary increases. The retirement law, Public Act 300 of 1980, MCL 38.1303a(3)(f) states that compensation does not include:

Compensation in excess of an amount over the level of compensation reported for the preceding year except increases provided by the normal salary schedule for the current job classification. In cases where the current job classification in the reporting unit has less than three members, the normal salary schedule for the most nearly identical job classification in the reporting unit or in similar reporting units shall be used.

The school fiscal year for reportable compensation is defined as compensation reported between July 1 through June 30. Each reporting unit is responsible for ensuring that reported compensation is consistent with the appropriate normal salary schedule. Reported wages are subject to audit by ORS. In the event that excess wages have been reported, the reported wages and employer/ employee contributions will need to be adjusted to reflect allowable amounts. See section 4.03.00: Normal Salary Increases.

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work. [9.01: Earnings of Retirees Who Return to Work.](#)

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4.03.00: Normal Salary Increases (NSI)

As provided under section 3a of the Public School Employees' Retirement Act, MCL 38.1303a, only compensation increases that fall within a normal salary schedule are reportable for retirement purposes. Any increases in excess of a normal salary schedule are not reportable. In cases where a job classification has fewer than three members (superintendents, assistant superintendents, administrative assistants), ORS applies a normal salary schedule for the most nearly identical job classification in similar reporting units. To determine what constitutes a normal salary schedule for these job classifications, ORS has aggregated salary data for each classification and has calculated the annual average increases, which resulted in the Normal Salary Increase (NSI) percentage tables provided below.

For each of the respective job classifications, similar reporting units are grouped into one of four categories based on payroll size. For each grouping, the annual average salary increase percentage is calculated and doubled to allow a more generous and flexible deviation of 'normal.' Annual increases in compensation for a particular job classification are reportable if they are within the NSI percentages for a given year. Increases in excess of the NSI are excluded.

Because the Public School Employees' Retirement Act requires that all compensation increases fall within a normal salary schedule, any portion of salary above the applicable NSI in a given year will remain subject to the NSI in subsequent years. This is because the NSI included for one year becomes the base salary upon which the next year's allowable increase is calculated. Thus, any otherwise reportable compensation in excess of the allowable NSI excluded in one year may be included as reportable compensation in the following year to the extent that it falls within the applicable NSI for that year.

Note: Sometimes employees take a pay reduction or pay freeze due to poor economic conditions, and that reduction or freeze is restored in a subsequent school year. If the reduction or freeze and restoration was clearly defined and documented in their contract, ORS will consider the reduction or freeze when applying the NSI, so that the resulting calculation will not be less by virtue of the reduction or freeze. Depending on actual payments received, some wages may still be calculated as being above the NSI. ORS will require documentation of the pay reduction or pay freeze along with the contract restoring the reduced or frozen pay.

The allowable Normal Salary Increase (NSI) percentages are identified in the following sections.

- 4.03.01: NSI for Superintendents 1110
- 4.03.02: NSI for Assistant Superintendents 1120
- 4.03.03: NSI for Administrative Assistants 1130
- 4.03.04: NSI for Colleges and Universities 1110, 1120, 1130

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 11/1/2018

4.03.01: NSI for Superintendents 1110

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

NSI for Superintendents 1110

Fiscal Year Ending	Average Salary Increase When Payroll Under \$4M	Allowable NSI	Average Salary Increase When Payroll Over \$4M but under \$10M	Allowable NSI	Average Salary Increase When Payroll Over \$10M but under \$20M	Allowable NSI	Average Salary Increase When Payroll Over \$20M	Allowable NSI
2022	3.99%	7.98%	3.67%	7.35%	3.79%	7.57%	3.82%	7.64%
2021	2.26%	4.53%	2.46%	4.91%	1.95%	3.89%	1.90%	3.81%
2020	3.45%	6.90%	2.87%	5.74%	2.82%	5.64%	2.33%	4.66%
2019	3.09%	6.19%	2.65%	5.29%	2.76%	5.51%	2.44%	4.88%
2018	3.10%	6.20%	3.06%	6.12%	2.94%	5.88%	1.73%	3.46%
2017	3.04%	6.08%	2.46%	4.92%	2.76%	5.52%	2.69%	5.38%
2016	2.45%	4.90%	2.87%	5.74%	2.64%	5.28%	2.54%	5.08%
2015	3.35%	6.70%	1.87%	3.73%	2.49%	4.98%	1.97%	3.93%
2014	2.87%	5.75%	2.58%	5.16%	1.63%	3.26%	1.87%	3.73%
2013	2.52%	5.04%	2.04%	4.08%	1.66%	3.32%	2.42%	4.84%
2012	2.78%	5.57%	2.58%	5.16%	1.61%	3.22%	2.93%	5.87%
2011	3.09%	6.18%	2.04%	4.08%	2.41%	4.82%	2.20%	4.40%
2010	3.65%	7.30%	3.08%	6.16%	2.81%	5.62%	2.62%	5.24%
2009	3.29%	6.58%	4.14%	8.28%	2.24%	4.48%	3.74%	7.48%
2008	1.80%	3.60%	2.31%	4.62%	2.65%	5.30%	3.15%	6.30%
2007	2.69%	5.37%	3.05%	6.09%	2.58%	5.15%	3.30%	6.60%
2006	4.11%	8.22%	3.26%	6.52%	3.92%	7.84%	4.02%	8.04%
2005	3.39%	6.78%	2.90%	5.80%	2.57%	5.14%	3.30%	6.60%
2004	3.99%	7.98%	3.23%	6.46%	3.73%	7.46%	3.24%	6.48%

2003	4.18%	8.36%	3.74%	7.48%	4.30%	8.60%	4.21%	8.42%
2002	5.18%	10.36%	4.40%	8.80%	4.76%	9.52%	4.87%	9.74%
2001	4.25%	8.50%	4.28%	8.56%	4.33%	8.66%	4.46%	8.92%
2000	4.02%	8.04%	3.99%	7.98%	4.48%	8.96%	4.42%	8.84%
1999	4.57%	9.14%	4.51%	9.02%	4.10%	8.20%	3.81%	7.62%
1998	4.35%	8.70%	4.04%	8.08%	3.38%	6.76%	2.97%	5.94%
1997	4.39%	8.78%	4.22%	8.44%	3.84%	7.68%	3.28%	6.56%
1996	5.51%	11.02%	4.39%	8.78%	3.96%	7.92%	3.82%	7.64%

Last updated: 10/19/2021

For historical reference only
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4.03.02: NSI for Assistant Superintendents 1120

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

NSI for Assistant Superintendents 1120

Fiscal Year Ending	Average Salary Increase When Payroll Under \$4M	Allowable NSI	Average Salary Increase When Payroll Over \$4M but under \$10M	Allowable NSI	Average Salary Increase When Payroll Over \$10M but under \$20M	Allowable NSI	Average Salary Increase When Payroll Over \$20M	Allowable NSI
2022	2.42%	4.85%	3.02%	6.03%	4.32%	8.63%	4.32%	8.65%
2021	6.88%	13.75%	1.38%	2.75%	1.72%	3.43%	1.62%	3.24%
2020	1.64%	3.28%	1.56%	3.11%	2.00%	4.00%	2.73%	5.46%
2019	2.01%	4.02%	4.32%	8.64%	3.18%	6.36%	4.42%	8.83%
2018	3.37%	6.74%	4.21%	8.42%	2.90%	5.80%	3.22%	6.44%
2017	0.50%	1.00%	2.99%	5.98%	3.18%	6.36%	3.73%	7.46%
2016	0.50%	1.00%	2.99%	5.98%	2.57%	5.14%	2.45%	4.90%
2015	1.46%	2.91%	1.70%	3.41%	2.77%	5.55%	2.58%	5.17%
2014	1.30%	2.61%	1.29%	2.57%	3.47%	6.94%	1.82%	3.63%
2013	2.92%	5.84%	3.28%	6.56%	2.21%	4.42%	2.45%	4.90%
2012	3.13%	6.26%	1.90%	3.80%	2.59%	5.18%	2.35%	4.71%
2011	1.55%	3.10%	2.47%	4.94%	2.14%	4.28%	2.47%	4.94%
2010	1.78%	3.56%	4.16%	8.32%	3.09%	6.18%	2.82%	5.64%
2009	2.79%	5.58%	5.87%	11.74%	3.08%	6.16%	3.93%	7.86%
2008	2.64%	5.28%	1.59%	3.18%	1.86%	3.72%	1.82%	3.64%
2007	2.51%	5.02%	6.14%	12.28%	3.84%	7.68%	4.10%	8.20%
2006	4.20%	8.40%	3.20%	6.40%	4.18%	8.36%	3.81%	7.62%
2005	3.72%	7.44%	3.15%	6.30%	3.12%	6.24%	4.47%	8.94%
2004	2.10%	4.20%	2.96%	5.92%	3.49%	6.68%	3.10%	6.20%

2003	3.73%	7.46%	3.93%	7.86%	3.75%	7.50%	4.08%	8.16%
2002	5.11%	10.22%	4.03%	8.06%	4.86%	9.72%	4.37%	8.74%
2001	4.07%	8.14%	5.57%	11.14%	4.02%	8.04%	4.87%	9.74%
2000	3.94%	7.88%	5.29%	10.58%	3.60%	7.20%	4.61%	9.22%
1999	4.34%	8.68%	4.02%	8.04%	4.90%	9.80%	3.79%	7.58%
1998	3.70%	7.40%	4.10%	8.20%	4.02%	8.04%	3.08%	6.16%
1997	4.93%	9.86%	5.26%	10.52%	3.71%	7.42%	3.28%	6.56%

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4.03.03: NSI for Administrative Assistants 1130

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

NSI for Administrative Assistants 1130

Fiscal Year Ending	Average Salary Increase When Payroll Under \$4M	Allowable NSI	Average Salary Increase When Payroll Over \$4M but under \$10M	Allowable NSI	Average Salary Increase When Payroll Over \$10M but under \$20M	Allowable NSI	Average Salary Increase When Payroll Over \$20M	Allowable NSI
2022	4.41%	8.82%	4.87%	9.73%	3.66%	7.32%	4.41%	8.83%
2021	4.11%	8.21%	1.94%	3.89%	3.22%	6.45%	3.43%	6.87%
2020	4.19%	8.37%	3.04%	6.07%	4.46%	8.91%	3.39%	6.78%
2019	3.44%	6.88%	2.93%	5.85%	2.69%	5.39%	4.23%	8.45%
2018	4.20%	8.40%	2.10%	4.20%	3.39%	6.78%	3.75%	7.50%
2017	2.00%	4.00%	3.49%	6.98%	2.43%	4.86%	2.46%	4.92%
2016	4.13%	8.26%	3.04%	6.08%	4.30%	8.60%	2.53%	5.06%
2015	2.65%	5.29%	2.37%	4.74%	2.04%	4.09%	2.24%	4.47%
2014	4.52%	9.05%	2.00%	4.00%	3.01%	6.03%	2.23%	4.47%
2013	2.92%	5.84%	2.71%	5.42%	2.84%	5.68%	4.29%	8.58%
2012	3.13%	6.26%	2.75%	5.50%	2.76%	5.51%	4.48%	8.96%
2011	4.48%	8.96%	2.78%	5.56%	1.41%	2.82%	3.42%	6.84%
2010	5.67%	11.34%	3.06%	6.12%	3.81%	7.61%	4.26%	8.52%
2009	3.94%	7.89%	2.95%	5.91%	3.33%	6.66%	3.69%	7.38%
2008	6.36%	12.72%	3.68%	7.36%	3.18%	6.36%	3.50%	7.00%
2007	5.14%	10.28%	4.23%	8.46%	3.79%	7.58%	4.21%	8.42%
2006	5.39%	10.78%	4.68%	9.36%	4.94%	9.88%	4.93%	9.86%
2005	5.11%	10.22%	4.31%	8.62%	5.04%	10.08%	4.12%	8.24%
2004	4.28%	8.56%	5.14%	10.28%	5.65%	11.30%	4.97%	9.94%

2003	2.73%	5.46%	2.42%	4.84%	3.17%	6.35%	2.11%	4.22%
2002	4.19%	8.38%	5.10%	10.20%	4.47%	8.94%	5.03%	10.06%
2001	5.72%	11.44%	5.91%	11.82%	5.96%	11.92%	5.66%	11.32%
2000	8.08%	16.16%	5.22%	10.44%	6.61%	13.22%	5.27%	10.54%
1999	6.48%	12.96%	5.03%	10.06%	5.40%	10.80%	4.40%	8.80%
1998	7.08%	14.16%	5.28%	10.56%	4.50%	9.00%	3.74%	7.48%
1997	6.18%	12.36%	5.86%	11.72%	5.62%	11.24%	4.60%	9.20%
1996	7.43%	14.86%	5.34%	10.68%	5.55%	11.10%	4.40%	8.80%

Last updated: 10/19/2021

For historical reference only
Archived on March 18, 2022

4.03.04: NSI for Colleges and Universities 1110, 1120, 1130

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPERS members. For information on reporting earnings for retirees please see section [9.01: Earnings of Retirees Who Return to Work](#).

NSI for Colleges and Universities, 1110, 1120, 1130

Fiscal Year Ending	Class Code 1110 Average Salary Increase	Class Code 1110 Allowable NSI	Class Code 1120 Average Salary Increase	Class Code 1120 Allowable NSI	Class Code 1130 Average Salary Increase	Class Code 1130 Allowable NSI
2022	4.23%	8.45%	2.04%	4.07%	4.12%	8.24%
2021	5.12%	10.24%	1.56%	3.11%	4.42%	8.83%
2020	2.40%	4.80%	2.18%	4.35%	4.12%	8.24%
2019	2.89%	5.79%	2.02%	4.04%	3.03%	6.07%
2018	1.39%	2.78%	3.28%	6.56%	5.68%	11.35%
2017	1.47%	2.94%	2.75%	5.50%	3.42%	6.84%
2016	2.93%	5.86%	1.38%	2.76%	2.33%	4.66%
2015	1.36%	2.72%	2.31%	4.62%	2.77%	5.53%
2014	2.94%	5.89%	2.88%	5.76%	2.45%	4.90%
2013	5.59%	11.78%	1.14%	2.28%	1.15%	2.30%
2012	5.59%	11.78%	0.72%	1.44%	1.70%	3.40%
2011	1.25%	2.50%	5.49%	10.98%	2.82%	5.64%
2010	1.82%	3.64%	1.81%	3.62%	3.74%	7.48%

Last updated: 10/19/2021

4.03.05: Summary of NSI, Reference, Disclaimer

The Retirement System must apply the definition of compensation found in MCL 38.1303a to the total amount paid to a member by a reporting unit. We use the Reporting Instruction Manual to provide information to reporting units regarding application of this definition.

Reference: Public School Employees Retirement Act 300 of 1980, MCL 38.1303a

DISCLAIMER - The information provided here discusses the definition of compensation found in MCL 38.1303a. However, should there be any discrepancy between this information and MCL 38.1303a, the statute governs.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.04.00: Wages

The payments described in the following sections (4.04.01 – 4.04.22) fall under wage code 01 (reportable compensation) **but** only to the extent that the payment is not excluded from the definition of compensation in MCL 38.1303a(3). Unless the payment is due to extra work or a promotion, in most cases a payment is reportable only if the increase in compensation does not exceed the normal salary schedule increase for the current job classification, and the payment was not made for the purpose of increasing the employee's final average compensation. See MCL 38.1303a(3)(e) and (f). See section 4.01: Reportable Compensation for more information.

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.04.01: Regular Wages

Regular wages, salaries, or other remuneration paid to a reporting unit employee for services performed in the position for which he or she was hired are considered reportable compensation.

For example, a teacher's regular contract salary, a bus driver's hourly wages for a kindergarten run, and a paraprofessional's hourly wages for being in the classroom are all reportable compensation.

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.04.02: Tax-Sheltered Annuity Investments

Tax-sheltered annuity (TSA) investments or deferred compensation

Employee contributions to an elective tax-sheltered annuity (TSA) or a deferred contribution plan are reportable compensation.

An employer payment made to a TSA may or may not be reportable, depending on the specific reason for the payment.

If an employer contributes to a TSA on behalf of an employee as a form of compensation that would normally be considered reportable, the TSA payment is reportable.

Examples of TSA payments that are **reportable** include but are not limited to:

- Salary or wages.
- Longevity pay.
- Merit pay.

If an employer contributes to a TSA on behalf of an employee for compensation that would normally be considered nonreportable, the TSA payment is nonreportable.

Examples of TSA payments that are **nonreportable** include but are not limited to:

- Payment in lieu of insurance premiums.
- Payment for other fringe benefits excluded from the definition of reportable compensation.
- Payment that is an employer match of employee contributions to TSA.

The increase in compensation that results from a TSA payment cannot exceed the Normal Salary Increase. See 4.03.00 Normal Salary Increase (NSI).

Please note: reportable and nonreportable compensation is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 01/06/2021

4.04.03: OBSOLETE - Employee Tax-Sheltered Annuity or Deferred Compensation Investments

OBSOLETE section – This section duplicates information in section 4.04.02 and is thus obsolete.

Earned wages that are placed in either an elective tax-sheltered annuity or a deferred compensation plan by employees are considered reportable compensation.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 01/06/2021

For historical reference only
Archived on March 18, 2022

4.04.04: Deductions from Pay

Amounts deducted from the pay of a public school employee, including amounts deducted pursuant to the Member Investment Plan, are considered reportable compensation. Tax-deferred payments (TDP) that are remuneration earned by a member for service performed as a reporting unit employee are also considered reportable compensation.

Effective July 1, 1999, lump sum payments such as bonuses, retirement incentives, or other nonreportable compensation may be used to purchase active duty military service credit or make payment for a repayment of a refund, contributions for pre 1992 weekly workers compensation, and MIP Window buy-back on a tax-deferred basis. However, these types of payments must not be reported as compensation.

Note: These deductions may be limited by IRS regulations. Your employees are encouraged to check with a tax advisor, lawyer or accountant.

Please note: reportable and nonreportable compensation is defined in MCL 38.1303a and only applies to active MPERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 09/29/2017

For historical reference only
Archived on March 18, 2022

4.04.05: Education Pay/Increased Academic Certifications

If the normal salary schedule includes an increase for receiving additional college credits or a college degree, that increase is considered reportable compensation. However, if the job classification involved has less than three members in the reporting unit, only the portion of the payment for receiving additional college credits or a college degree that does not exceed the normal salary increase (NSI) should be reported.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.04.06: Merit Pay

Merit pay as established by a reporting unit for the purpose of rewarding achievement of specific performance objectives is retirement reportable compensation if all of the following criteria are met:

- A specific performance objective is established prior to the fiscal year, or onset of pay period, during which the employee takes action toward achievement of the performance objective.
- The performance objectives associated with the merit pay are measurable and time bound.
- The participation in merit pay is available to other employees in the reporting unit.

Merit pay cannot be paid for the specific purpose of increasing the employee's final average compensation.

Upon request, reporting units must provide supporting documentation to ORS for review, such as the employee's contract or board memo containing the eligible amount and performance objectives. Please contact ORS if you have any questions about the reportability of a payment.

The increase in compensation that results from payment cannot exceed the 4.03.00: Normal Salary Increase (NSI).

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 11/1/2018

For historical reference only
Archived on March 18, 2022

4.04.07: Overtime Pay

Overtime pay for service performed outside of what are considered as normal working hours is considered reportable compensation.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.04.08: Vacation/Annual Leave Pay (Excluding Unused Vacation Pay)

Vacation or annual leave paid when an employee is absent from work but still an employee of your reporting unit is considered reportable compensation.

Many questions have been asked about reporting vacation pay under some conditions, such as for employees who work less than a 12-month year. Let's look at those conditions and what is considered reportable.

Traditionally, 12-month employees were granted vacation time as a condition of their employment, and less than 12-month employees were not. We are now seeing a change, where less than 12-month employees are more often being granted vacation time. However, some school employers stipulate that the time may not be used during the normal school year. This creates a question of whether the vacation pay received between the close of one school year and the beginning of the next is considered "used" and reportable or "unused" and not reportable.

The main thing to consider is whether the person is an employee between the close of one school year and the beginning of the next. A person is considered an employee if that person retains insurance benefits over the summer even though he/she is not actually working and if that person has not been officially terminated. If that employee earned vacation time during the contracted term of employment and uses it while in your employ (whether it's used at the employer's discretion or the employee's); the vacation pay is considered used and is reportable compensation. Remember, you must report both the wages and the hours.

In some cases vacation may be earned but not used while an employee of your reporting unit, and this vacation may be paid out upon termination. In such cases, the payment is for unused vacation and is not reportable for retirement purposes.

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

4.04.09: Holiday Pay

Holiday pay while absent from work is considered reportable compensation.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.04.10: Employer-Sponsored STD (Short-Term Disability)

In order for short-term disability (STD) wages to be considered reportable compensation, all of the following criteria must be met:

- The payment must be for personal illness or injury as defined by your reporting unit's short-term disability policy.
- Whether your reporting unit is self-insured for short-term disability or uses a third party, the short-term disability plan must be employer-sponsored to be reported as required with other compensation amounts. Copies of the following documentation prove employer sponsorship:
 - The reporting unit's official policy offering short-term disability to employees.
 - Minutes from your reporting unit's board meeting approving the short-term disability plan or policy.
 - A collective bargaining agreement supporting a short-term disability plan.
 - Employee benefits statement or booklet created by your reporting unit showing short-term disability plan as a benefit.
- You must withhold the usual payroll taxes and retirement contributions from the short-term disability payment to the employee including member contributions and tax-deferred payment amounts, if applicable.

Short-term disability wages should only be considered when calculating member and employer contributions on the DTL2 record. No part of STD wages are to be used when calculating member and employer contributions for Pension Plus, Pension Plus 2, Defined Contribution, Deferred Compensation, and Personal Healthcare Fund plans. STD wages should not be entered in the Employer Reported Wages field on a DTL4 record.

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/01/2018

4.04.11: Sick Leave Pay/Family and Medical Leave Act

Sick leave pay while absent from work is considered reportable compensation.

Family and Medical Leave Act (FMLA) is traditionally an unpaid leave of absence that is **not** reportable.

However, if an employee is paid out of a sick leave bank while on FMLA, that payment is considered the same as sick leave pay and is reportable compensation.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.04.12: Professional Services Leave/Professional Services Released Time

Professional services leave (PSL) is when a public school employee leaves his or her normally assigned duties to work in a position for an employee organization or union on a part-time or full-time basis. The public school employee has a contract renewed annually with the employee organization/union for this role.

Professional services released time (PSRT) is when a public school employee is released from his or her normally assigned duties to handle employment matters for an employee organization or union.

For more information, see section 3.02.05: Professional Services Leave/Professional Services Released Time

For information on how to report PSL/PSRT, see section 7.17.01: How to Report Professional Services Leave/Professional Services Released Time

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.04.13: Cafeteria Plans (Flexible Spending Accounts Only)

There are several types of deferred savings plans provided by Section 125 of the IRS code that fall under the very broad category of “cafeteria plans.” Some of the items in Section 125 are reportable for retirement, and others are not. Items of deferred compensation are reportable compensation under the retirement act, but fringe benefits are not.

What is reportable?

A flexible spending account, in which the employee’s pre-tax dollars are set aside each year to be used for anticipated expenses is reportable. A flexible spending account differs from a flexible benefit plan in that the money is from the employee’s wages, and the employee determines the amount to be deducted. The money is not paid in lieu of a fringe benefit. Monies receiving tax-preferred treatment in this way are reportable to the retirement system, even though they are not subject to FICA or FUTA (unemployment tax). The reporting unit must pay the required contribution percentage on the deferred money and members must pay their member contributions on it.

What is not reportable?

A flexible benefit plan (cafeteria plan) in which all benefits are open for selection is not reportable. This type of plan is a way of providing fringe benefits, and retirement law does not recognize fringe benefits (or cash received in lieu of a fringe benefit) as compensation.

A flexible benefit plan in which only the health care benefit has several choice options is not reportable. This type of plan is also a way of providing fringe benefits, and again, the value of fringe benefits is not reportable compensation.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

4.04.14: Regular Wages Paid After Termination and/or Retirement

These are wages that are earned before an employee's termination and/or retirement date, but paid after that date. Report these wages using wage code 01 for regular wages or wage code 08 for summer spread wages and an active employment class code.

If the wages you are reporting were earned after the retirement effective date you must report them using wage code 07 (retiree wage code), and use one of the three retiree employment class codes (9003, 9004, or 9005).

For more information see Chapter 9: Retirees Who Return to Work.

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section [9.01: Earnings of Retirees Who Return to Work](#).

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.04.15: Wages Without Hours Payments

Wages without hours payments, such as longevity pay, are considered reportable compensation.

Some reporting units include wages without hours payments in their employees' regular pay.

If you choose to pay wages without hours in a separate lump sum payment, see section 7.14.00: How to Report Wages Without Hours on a DTL2 Record for reporting instructions.

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 10/06/2020

For historical reference only
Archived on March 18, 2022

4.04.16: Workers' Compensation (Wage Code 01)

Workers' compensation is considered the same as sick leave pay when absent from work and is reportable compensation unless the employer/employee relationship has been terminated.

- Report hours that would have normally been worked by the member if he or she was not receiving workers' compensation.
- All weekly workers' compensation (WWC) wages reported on a DTL2 record on or after July 1, 2010, regardless of the date the wages were earned, are subject to employer and member contributions and retiree health care contributions for the Defined Benefit portion of a member's benefit plan.
- Workers' compensation wage totals should not be used when calculating member and employer contribution withholding for the Defined Contribution portion of the retirement plan. No part of WWC wages should be entered in the Employer Reported Wages field on a DTL4 record.
- Payments to bridge the differential between workers' compensation and full wages, if tied directly to a WWC claim, are also reportable compensation. Documentation showing the connection between the payment and a specific WWC claim must be provided to ORS upon request.
- Occasionally, a reporting unit will have employees on workers' compensation who also work at temporary jobs. Wages and hours earned for actual work performed while receiving workers' compensation are reportable compensation.

IMPORTANT NOTES:

The retirement system includes reported and posted workers' compensation in the year-to-date totals used to calculate the MIP graded, MIP fixed, MIP Plus, Pension Plus, and Pension Plus 2 amounts. For more information, see section 7.13.00: How to Report Workers' Compensation on a DTL2 Record.

WWC and additional types of compensation related to WWC (for example, sick leave pay or payments made to bridge the differential between WWC and full wages) are subject to the rules governing normal salary increases. If the sum of WWC and related compensation exceeds the NSI schedule, the excess compensation is not reportable. See section 4.03.00 Normal Salary Increases (NSI).

Reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings Of Retirees Who Return to Work.

Last updated: 03/20/2019

4.04.17: Retroactive Wages (Wage Code 04) on Contracts Settled Before June 8, 2011

Public Act 54 of 2011 prohibits the reporting of retroactive wages for labor contracts that have expired. Consequently, ORS no longer expects retroactive pay adjustments for contracts settled after June 8, 2011.

First, determine whether you need to make an adjustment or a retroactive payment. What is the difference? As previously mentioned, a retroactive record is made to report contract settlement payments made to a group of employees working under a contract (hourly or annually). An adjustment is made to correct an individual employee's record that has already been submitted and posted to ORS, or to report a record that should have been submitted but was not (i.e. an employee that was left off your pay period report).

Retroactive wage records allow you to correct existing wage records for a contract settlement for an entire group of employees. Use wage code 04 to report retroactive wages. **Note:** You can only report retroactive wages for periods of active employment. You should not report retroactive wages for a time period when an employee was receiving Weekly Workers' Compensation.

For more information, see section 7.15.00: How to Report Retroactive Wages on a DTL2.

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.04.18: Coaches Wages (Wage Code 01 or 11)

When an employee works as a coach, how you report the wages will depend on the employee's coaching position.

Detail 2 - Wage and Service:

SSN:	00000000
First Name:	John
Last Name:	Joe
Middle Name:	
Begin Date: (MM/DD/YYYY)	01/13/2008
End Date: (MM/DD/YYYY)	04/05/2008
Retirement Hours:	120.00
Reported Wage Code:	11 - Coaches Wages
Employer Reported Wages: \$	456.08
Exception Wages: \$	0.00
MIP Contribution: \$	196.08
Employer Contribution: \$	754.22
Pay Rate:	38.00
Employment Class Code:	1560 - Coaches/Recreational
Contract Begin Date: (MM/DD/YYYY)	07/01/2007
Contract End Date: (MM/DD/YYYY)	06/30/2008
Frequency Of Pay:	22

Wage code 11 is only used when a coach is being paid a lump sum for a period of time greater than a single pay period. This wage code ensures that the coach will receive the correct service credit.

For more information, see section 7.16.00: How to Report Coaches' Wages on a DTL2.

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

4.04.19: Retiree Wages (Wage Code 07)

You are required to report the wages of retired MPSERS members receiving a pension from this retirement system, who return to work for your reporting unit.

For more information see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.04.20: Summer Spread Wages (Wage Code 08)

Some full-time employees who normally work ten months out of the year opt to spread out their pay so they continue to receive paychecks over the summer.

For more information, see section 7.17.00: How to Report Summer Spread Wages on a DTL2 record.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.04.21: Arbitration Awards, Tenure-Commission Ruling, Court Orders, Grievances

The retirement law grants credit when a member works and is compensated for personal services performed as a reporting unit employee. Sometimes there are situations in which credit is granted when no service has been performed or reported. The retirement system may grant service credit when it is clear that an opinion issued by an objective third party indicates that a wrongful action on the part of the employer has occurred and the member is to be "made whole" for lost wages and/or benefits.

Your reporting unit must not report the amount of any settlement payment on your retirement detail report. You must send a complete copy of the ruling, award, or settlement to ORS for a determination.

If ORS determines that the final disposition of the case can be recognized for retirement purposes, ORS will ask your reporting unit to submit wage and service information for the period in question. Once the adjustment has been made to the employee's retirement account via a DTL2 record (and DTL4 when required), the employer account will be adjusted to reflect the additional employer contributions and member contributions (if applicable). These amounts will show on the employer statement. The employee will be responsible for any member contributions due.

Examples of wrongful actions include but are not limited to:

- Improper, unlawful, or unjustified termination of employment
- Improper layoff or improper recall from layoff
- Improper placement in a position
- Improper compensation for services rendered

If ORS determines that the final disposition of the case cannot be recognized for retirement purposes, any payment made to the member must still be reported on a DTL4 record for those members who require a DTL4.

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 05/05/2021

4.04.22: Bona Fide Pay Concessions

Reporting units periodically negotiate pay concessions from their employees. It is important to take these concessions into account when reporting compensation to the retirement system. Pay that is conceded permanently is a pay reduction and the amount conceded should not be reported. Pay that is deferred but will be paid back at a later date is a pay deduction and must be reported as well as the member contributions due on that deferred pay. This means that member pension and health contributions are due on items of deferred compensation and amounts deducted from the pay of a member.

Bona Fide Pay Concessions Table

Example	Description	Reportable?
Pay Reduction	A reporting unit negotiates to reduce employee pay by 5 percent. The pay reduction will not be repaid at a later date. Pay may or may not be increased in the future, subject to the next pay negotiation	No
Pay Deduction	A reporting unit negotiates to make deductions from employee pay for deposit into a savings account. The deductions are considered reportable compensation whether or not these deductions are actually repaid to the employees.	Yes
Deferred Pay	A reporting unit negotiates to defer pay by 5 percent. The reporting unit will repay this deferral to employees upon termination or retirement.	Yes

Under MCL 38.1303a (2), "compensation includes salary and wages and all of the following:

(c) All amounts deducted from the pay of a public school employee, including amounts deducted pursuant to the member investment plan." and, "(g) Items of deferred compensation, exclusive of employer contributions to the retirement system."

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

4.04.23: Longevity Payments

Longevity payments are additional wages given based on length of service. These payments are generally reportable. To ensure that the payment is properly classified as a longevity payment, an explanation of the payment should be included in the contract or bargaining agreement, including the frequency of the payment, the date the payment is made, and the schedule of the amount of longevity pay rewarded based on length of service (if multiple tiers of longevity pay are available). Please contact ORS if you have any questions about the reportability of a payment.

Examples of reportable compensation:

- Annual longevity payment given based on length of service

Examples of nonreportable compensation:

- One time payment upon termination of employment based on length of service
- Remuneration paid for the specific purpose of increasing the final average compensation

Last updated: 09/29/2020

For historical reference only
Archived on March 18, 2022

4.05.00: Adjustments

You first must determine if you need to report an adjustment or a retroactive payment. What is the difference? An adjustment is made to correct an individual employee's record that has already been submitted and posted to ORS or to report a record that should have been submitted but was not (i.e. an employee that was left off your pay period report). A retroactive record reports contract settlement payments made to a group of employees working under a contract (hourly or annual.)

You can adjust wages, hours, or both for a specific pay period by creating an adjustment record for the employee using the appropriate wage code. Adjustments can only be made for prior pay periods.

For more information, see section 7.18.00: Adjusting Wages and/or Hours on a DTL2 Record.

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.06.00: Nonreportable Compensation

Some types of payments made to school employees are not recognized as compensation for retirement purposes and should not be reported on the DTL2 record. These types of payments are excluded or are prohibited by the retirement law. With the exception of long-term disability, however, the wages must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund (PHF). These nonreportable payments include but are not limited to those on the following list.

- Cash in lieu of benefit
- Unused vacation or annual leave pay
- Unused sick leave pay
- Termination/severance pay
- Early retirement incentives
- In-kind compensation
- Insurance premium payments
- Expense payments
- Fringe benefits
- **Long-term disability (Nonreportable on a DTL2 record; do not include as gross earnings on a DTL4 record when calculating member and employer DC and/or PHF contributions)**
- Payments to increase retirement
- Increase over the normal schedule
- Service credit purchase payments
- Cafeteria plans (flexible benefit plans)
- Super longevity pay
- Compensation for reporting unit board members
- Perfect attendance pay
- Normal costs of employment
- FICA reimbursement
- Member Investment Plan (MIP) reimbursement/Retiree Health Care Contribution (RHCC) reimbursement
- Retroactive wages
- Special circumstances
- Arbitration awards, tenure-commission ruling, court orders
- Stipends
- FF/ORP/UAL payments

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

4.06.01: Cash in Lieu of Benefit

Any type of cash payment made in lieu of an excluded benefit is considered nonreportable on a DTL2 record. However, the wages must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. The wages must be included in the Employer Reported Wages field on a DTL4 record.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.06.02: Unused Vacation or Annual Leave Pay

Any payments for unused vacation or annual leave are considered nonreportable on a DTL2 record. However, the wages must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. The wages must be included in the Employer Reported Wages field on a DTL4 record.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.06.03: Unused Sick Leave Pay

Any payments for unused sick leave are considered nonreportable on a DTL2 record. However, the wages must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. The wages must be included in the Employer Reported Wages field on a DTL4 record.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.06.04: Termination/Severance Pay

Any payments made specifically because an employee is terminating employment are considered nonreportable on a DTL2 record. However, the wages must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. The wages must be included in the Employer Reported Wages field on a DTL4 record. (Termination can be for any reason and can be initiated by either the employee or the employer.)

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.06.05: Early Retirement Incentives

Early retirement incentive payments are considered nonreportable on a DTL2 record regardless of whether paid in a lump sum or paid over a period of time for active members. However, the wages must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. The wages must be included in the Employer Reported Wages field on a DTL4 record.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.06.06: In-Kind Compensation

Effective January 1, 2000, remuneration not paid in money (in-kind compensation) is not reportable on a DTL2 record. The retirement board adopted this policy in March 1997, which says, "As of January 1, 2000, if part of a member's remuneration is not paid in money, such remuneration shall not be considered compensation reportable to the retirement system (ORS) unless specifically provided for in statute."

The compensation must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. The wages must be included in the Employer Reported Wages field on a DTL4 record.

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.06.07: Insurance Premium Payments

Insurance premium payments, including hospitalization insurance and life insurance payments, paid by your reporting unit are considered nonreportable on a DTL2 record. Cash in lieu of insurance premium payments are also considered nonreportable compensation on a DTL2 record.

Employer and employee DC contributions for qualified participants are calculated based on gross earnings reported on a DTL4 record in the Employer Reported Wages field. Group term life insurance exceeding \$50,000 is considered income and is taxable based on the employer's cost assessment. This amount is included in the participant's gross earnings and should be reported on a DTL4 record.

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.06.08: Expense Payments

Any payments paid either directly or indirectly for actual or anticipated expenses are considered nonreportable on a DTL2 record. However, the wages must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. The wages must be included in the Employer Reported Wages field on a DTL4 record.

Note: The retirement board may require a sworn affidavit from the member that final compensation does not include remuneration paid either directly or indirectly for actual or anticipated expenses.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.06.09: Fringe Benefits

Other fringe benefits not listed here, but paid by and from the funds of employers of reporting unit employees are considered nonreportable on a DTL2 record. However, the wages must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. The wages must be included in the Employer Reported Wages field on a DTL4 record.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.06.10: Long-term Disability

Long-term disability (LTD), as defined by your reporting unit, is considered nonreportable on both the DTL2 and DTL4 records. No portion of LTD wages are to be used to calculate employee and/or employer contributions for Pension Plus, Pension Plus 2, Defined Contribution, Deferred Compensation, and Personal Healthcare Fund plans. Long-term disability wages should not be entered in the Employer Reported Wages field on a DTL4 record.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/01/2018

For historical reference only
Archived on March 18, 2022

4.06.12: Payments to Increase Retirement

Any monies paid for the specific purpose of increasing the Final Average Compensation (FAC) in the pension formula are considered nonreportable on a DTL2 record. However, the wages must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. The wages must be included in the Employer Reported Wages field on a DTL4 record.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.06.13: Increase Over the Normal Schedule

You may not report compensation that includes any amount over the compensation for the preceding year except for increases provided by the normal salary schedule for your employees on a DTL2 record. The wages must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. The wages must be included in the Employer Reported wages field on a DTL4 record. ORS audits your employees' wages for any significant increases in salary that may not be recognized for retirement purposes.

However, some payments over and above the normal salary schedule may be recognized as reportable compensation if they are generated by one of the following:

Extra work assignments, bona fide, not contrived to increase the retirement benefits, when all of the following are true:

1. The specific assignments are established prior to the fiscal year or onset of the pay period, during which the employee will take action toward the performance of assignments;
2. The amount of additional pay to be earned for additional duties is defined and consistent with the pay rate earned by the employee for the employee's regular duties;
3. The difference between extra assignments and regular contractual duties is identified;
4. Additional assignments are relevant to the improvement of the financial or educational status of the reporting unit;
5. Supporting documentation is available for ORS to review.
 - Promotions to a higher level position.
 - Overtime.

See section 4.01: Reportable Compensation for more information.

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

4.06.14: Service Credit Purchase Payments

Money used for service credit purchased by the reporting unit on behalf of an employee is considered nonreportable on a DTL2 record. However, the wages must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. The wages must be included in the Employer Reported Wages field on a DTL4 record.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.06.15: Military Leave

Wages paid by the U.S. government as well as differential wages paid by the reporting unit to employees while on active duty military leave are considered nonreportable on a DTL2 record. However, the wages must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. The wages must be included in the Employer Reported Wages field on a DTL4 record. The member may be eligible to purchase the military leave service at a later date.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.06.16: Sabbatical Leave

Wages paid while on sabbatical leave are considered nonreportable on a DTL2 record. However, the wages must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. The wages must be included in the Employer Reported Wages field on a DTL4 record.

Please note: reportable and nonreportable compensation is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 09/29/2017

For historical reference only
Archived on March 18, 2022

4.06.17: Cafeteria Plans (Flexible Benefit Plans)

There are several types of deferred savings plans allowed by Section 125 of the IRS code that fall under the broad category of “cafeteria plans.” Some of these are reportable and some are not. Deferred compensation is reportable; fringe benefits are not.

The following is reportable:

A flexible spending account in which the employee's pre-tax dollars are set aside annually to be used for anticipated expenses is reportable. A flexible spending account differs from a flexible benefit plan in that money is from the employee's wages, and the employee determines the amount to be deducted. Money that is not paid in lieu of a fringe benefit and is tax-deferred is reportable, even though it is not subject to FICA or FUTA (unemployment tax). Your reporting unit must pay the employer contribution percentage on the deferred money, and members must pay member contributions.

The following is nonreportable:

- A flexible benefit plan (cafeteria plan) in which all benefits are open for selection is not reportable. This kind of plan is a way of providing fringe benefits, and retirement law does not recognize fringe benefits (or cash received in lieu of a fringe benefit).
- A flexible benefit plan in which only the health care benefit has several choice options is not reportable. This kind of plan is a way of providing fringe benefits, and retirement law does not recognize fringe benefits (or cash received in lieu of a fringe benefit).

If your reporting unit offers a benefit plan defined by Section 125 that does not fit into any of these choices, please contact ORS Employer Reporting and let us determine if it is reportable.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

4.06.19: Compensation for Reporting Unit Board Members

Compensation for service as a reporting unit board member is not considered remuneration for services performed as a public school employee and is nonreportable on both a DTL2 and a DTL4 record.

Last updated: 11/4/2020

For historical reference only
Archived on March 18, 2022

4.06.20: Perfect Attendance Pay

While attaining perfect attendance is an objective, it is not associated with performing additional service or measurable duties specifically related to the achievement of a particular goal. Employees are compensated to work and perform services each day. Therefore, receiving a perfect attendance payment in addition to regular pay, when no additional duties or services have been performed, is consistent with the definition of a bonus payment. Neither bonus payments nor perfect attendance pay are reportable on a DTL2 record. However, the wages must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. The wages must be included in the Employer Reported Wages field on a DTL4 record.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.06.21: Normal Costs of Employment

Any payments made to cover normal employee expenses associated with working (e.g., travel to/from work, taxes, etc.) are not reportable on a DTL2 record. However, the wages must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. The wages must be included in the Employer Reported Wages field on a DTL4 record.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.06.22: FICA Reimbursement

Payment of an amount equal to FICA contributions is considered nonreportable compensation on a DTL2 record. However, the wages must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. The wages must be included in the Employer Reported Wages field on a DTL4 record.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.06.23: Member Investment Plan (MIP) Reimbursement

The retirement system will not consider as compensation any remuneration deemed MIP reimbursement or MIP equivalent in any member contract executed after May 30, 2007. This also includes reimbursement for Pension Plus, Pension Plus 2, or Defined Contribution Plan contributions. Contracts executed prior to May 30, 2007, containing such remuneration must be available for ORS to review to determine if it is reportable. The wages are not reportable on a DTL2 record. However, the wages must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. The wages must be included in the Employer Reported Wages field on a DTL4 record.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/01/2018

For historical reference only
Archived on March 18, 2022

4.06.24: Retiree Health Care Contributions (RHCC) Reimbursement

The retirement system will not consider as compensation any remuneration deemed Health Care Contribution (HCC) reimbursement or HCC equivalent such as the Personal Healthcare Fund (PHF). The compensation is not reportable on a DTL2 record. However, the wages must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. The wages must be included in the Employer Reported Wages field on a DTL4 record.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.06.25: Retroactive Wages

Public Act 54 of 2011 prohibits the payments of retroactive wages for labor contracts that have expired. Consequently ORS no longer expects retroactive pay adjustments for settled contracts after June 8, 2011.

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.07.00: Special Circumstances

The next two sections cover special circumstances:

- 4.07.01: Arbitration Awards, Tenure-Commission Ruling, Court Orders
- 4.07.02: Stipends

Last updated: 07/27/2016

For historical reference only
Archived on March 18, 2022

4.07.01: Arbitration Awards, Tenure-commission Ruling, Court Orders

The retirement law grants credit when a member works and is compensated for personal services performed as a reporting unit employee. Sometimes there are situations in which credit is granted when no service has been performed or reported. The retirement system may grant service credit when it is clear that an opinion issued by an objective third party indicates that a wrongful action on the part of the employer has occurred and the member is to be “made whole” for lost wages and/or benefits.

Your reporting unit must not report the amount of any settlement payment on your retirement detail report. You must send a complete copy of the ruling, award, or settlement to ORS for a determination.

If ORS determines that the final disposition of the case can be recognized for retirement purposes, ORS will ask your reporting unit to submit wage and service information for the period in question. Once the adjustment has been made to the employee’s retirement account, the employer account will be adjusted to reflect the additional employer contributions and member contributions (if applicable). These amounts will show on the employer statement. The employee will be responsible for any member contributions due.

Examples of wrongful actions include but are not limited to:

- Improper, unlawful, or unjustified termination of employment
- Improper layoff or improper recall from layoff
- Improper placement in a position
- Improper compensation for services rendered

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

4.07.02: Stipends

The Michigan Public School Employee's Retirement Act's definition of reportable compensation does not include the term "stipend." (MCL 38.1303a) In order for a stipend to be considered reportable compensation it must be described in detail so that ORS can determine whether it is remuneration for services rendered by the employee. If ORS considers the stipend to be reportable compensation, it cannot exceed the normal salary schedule increase unless the stipend was for additional services rendered by the employee, such as for coaches.

The wages, if determined to be reportable on a DTL2 record, must be considered as part of gross earnings when calculating member and employer contribution withholding for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. The wages must be included in the Employer Reported Wages field on a DTL4 record.

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 02/10/2017

For historical reference only
Archived on March 18, 2022

4.08.01: Additional Duties

These types of salary increases are intended to provide additional compensation to employees who have taken on additional duties and responsibilities (not resulting from an increase in volume of the same duties), yet not enough to warrant reclassification to a higher-grade level or a different title. Additional duties are retirement reportable compensation if both the following criteria are met:

- The additional duties taken on are not compensated for in the normal base salary.
- The payment is not resulting from an increase in volume of the same duties.

An example of reportable additional duties is a payroll officer assuming supervisor responsibilities for office staff during an unexpected leave by the school business official. An example of a nonreportable increase in volume of the same duties is the ISD adding a Young 5 program, and the payroll officer now processing payroll for 20 additional employees. Please contact ORS if you have any questions about the reportability of a payment.

The increase in compensation that results from payment cannot exceed the 4.03.00: Normal Salary Increase (NSI).

Please note: reportable and nonreportable “compensation” is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 11/1/2018

For historical reference only
Archived on March 18, 2022

4.08.02: Bonus Payments

Bonus payments are payments to employees that are not *guaranteed* for payment, not associated with additional duties or merit-based activities, or not defined in the contract or union agreement.

Bonus payments are nonreportable compensation for the Defined Benefit plans but should be reported for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund.

- Bonus payments should not be included in the Employer Reported Wages field on a DTL2 record since all bonus payments are nonreportable compensation for the Defined Benefit plan.
- Bonus payments must be considered as part of gross earnings when calculating both the member and employer contributions for the Defined Contribution portion of a member benefit plan and for the Personal Healthcare Fund. Include the amount of the bonus with the wages on the Employer Reported Wages field on a DTL4 record.

Examples of nonreportable bonuses include but are not limited to: signing bonuses, termination incentive payments, and other payments not documented in advance. Please contact ORS if you have any questions about the reportability of a payment.

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated: 05/26/2021

For historical reference only
Archived on March 18, 2021

4.08.03: Other Payments

"Other payments" are defined as compensation in addition to base salary paid. This compensation may be specific dollar amounts or a percentage of an employee's salary. Depending on their characteristics, these payments may or may not be reportable. An explanation of the payment should be included in the contract or bargaining agreement. Please contact ORS if you have any questions about the reportability of a payment. Some examples of other payments that are reportable or nonreportable are given below:

Examples of reportable compensation:

- A payment given in lieu of a step increase to all members of a bargaining unit who were at the top of the salary schedule. Payment can be given either as a one-time lump-sum payment or over a defined period. The payment can be given as a dollar amount or percentage of pay, and it must be included in the contract.
- A payment given in lieu of a cost of living adjustment added to base salary. Payment can be given either as a one-time lump-sum payment or over a defined period. The payment can be given as a dollar amount or percentage of pay, and it must be included in the contract.
- A payment tied to a surplus of funds available at the end of the year or tied to an increase in student enrollment, which is documented in advance in the contract.

Examples of nonreportable compensation:

- A payment tied to a surplus of funds available at the end of the year or tied to an increase in student enrollment, which is **not** documented in the contract. This includes one-time lump-sum payments as well as payments made over a defined period.
- A payment that is unexplained, without definition, or without an expectation or a performance objective noted in the contract or union agreement.

The increase in compensation that results from payment cannot exceed the 4.03.00: Normal Salary Increase (NSI).

Please note: reportable and nonreportable "compensation" is defined in MCL 38.1303a and only applies to active MPSERS members. For information on reporting earnings for retirees please see section 9.01: Earnings of Retirees Who Return to Work.

Last updated 02/12/2019

4.09.00 COVID-19 and Reporting

The following guidance is provided regarding COVID-19 and reporting:

Hazard Pay

Hazard pay is considered reportable compensation if all of the following criteria are met:

- The payment is compensation within the time period of March 10, 2020 through June 30, 2021.
- The payment is offered district-wide to entire categories of employees (i.e. teachers, bus drivers, etc.).
- The payment is specifically documented regarding what was done to earn the payment and includes at least one of the following:
 - Additional duties above and beyond regular or contracted duties (for more information on additional duties, see 4.08.01: Additional Duties).
 - Exposure to increased risk of contracting COVID-19 due to in-person activities.

The payment must be reported on a DTL2 and a DTL4 record (when a DTL4 is required). When reporting this payment on a DTL2 record, please use the Supplemental Employment 9510, 9520, or 9530 class codes.

Document the additional duties fully. Reporting units must provide this information timely to ORS for review if requested. If a contracted employee is performing duties outside his/her regular job and receiving hazard pay the hazard pay would be reportable as long as it meets the criteria listed above.

If the payment does not meet all of the criteria above, it is considered nonreportable and must be reported on a DTL4 (only) when a DTL4 is required.

Employees Repurposed to Alternate Duties

For employees who are unable to perform their regular duties due to COVID-19 and are repurposed to alternate duties, please do not report more than their contracted hours and wages. If an employee is working from home performing the same duties as if they were in the office those wages and hours are reportable. Please follow these examples:

Full-time employee:

Wages	Hours	
\$200	16	Repurposed to clerical (1880-Sub Clerical)
\$800	64	Regular position of Aide (1630-Aide)
\$1,000	80	Total regular wages and hours under contract or agreement

Part-time employee:

Wages	Hours	
\$100	8	Repurposed to clerical (1800-Sub Clerical)
\$400	32	Regular position of Aide (1630-Aide)
\$500	40	Total regular wages and hours under contract or agreement

Payment for work not performed

Payment for work not performed was reportable on a DTL2 record and DTL4 record (when a DTL4 is required) from March 10, 2020 until Sept. 30, 2020, when Executive Order No. 2020-142 (COVID-19) expired. After that date, these payments are nonreportable, so report wages paid for work not performed on a **DTL4 record only** (when a DTL4 is required) after Sept 30, 2020. ORS will take the certification on report submission that wages and hours are not being reported if work is not being performed.

Examples include but are not limited to:

- Employees unable to work full schedule due to COVID-19, such as bus drivers with reduced/suspended routes, paraprofessionals when in-person classes are suspended, etc.
- Employees who are "on-call" -- only report wages for work performed. Do not report wages for time spent on-call without working.

Leave Pay

Leave pay is fully reportable (on both DTL2 and DTL4 records) through March 31, 2021, per the federal Families First Coronavirus Response Act: Employee Paid Leave Rights and the optional extension per the federal Consolidated Appropriations Act (CAA), 2021. In addition to vacation, sick, and administrative leave (which are already reportable), for the 2020-2021 school fiscal year, any documented, district-approved leave is reportable. Leave must be approved by your school board before the end of the 2020-2021 school fiscal year. It can be approved retroactively to the beginning of the 2020-2021 school fiscal year.

Retirees

If a retiree is receiving any of the payments mentioned in this article, the normal rules for reporting retiree earnings apply. See RIM 9.01: Earnings of Retirees Who Return to Work for more information.

COVID-19 Timeline of events

March 16, 2020: ORS sent employers an email: Retirement reporting and the statewide closure of all K-12 school buildings, which stated:

Governor Whitmer announced statewide closure of all K-12 school buildings from Monday, March 16 through Sunday, April 5. It has been decided that members will still receive retirement credit during this time. Continue to report and make payments to ORS as usual according to your pay schedule.

March 18, 2020: MPSERS Employer News — March 2020 reiterated the information in the previous email.

April 16, 2020: MPSERS Employer News — April 2020:

- ORS gave a summary of the issue and provided links to federal information about the Families First Coronavirus Response Act (FFCRA): the U.S. Department of Labor's FFCRA website or read its fact sheet for employers: Families First Coronavirus Response Act: Employer Paid Leave Requirements.
- ORS stated the following:
 - Hazard pay will be reviewed on a case-by-case basis and will require documentation.
 - Unemployment benefits are nonreportable.
 - If an employee is off work and still being paid regularly, in accordance with Executive Order No. 2020-35, wages and hours should still be reported when paid.

Sept. 16, 2020: [MPSERS Employer News](#) — [September 2020](#):

- Executive Orders set to expire September 30, 2020. This affects employees that are unable to work their full schedule and employees receiving hazard pay. See the newsletter for details.
- Leave payments for approved COVID-19 leaves are set to expire Dec. 31, 2020. See Families First Coronavirus Response Act: Employee Paid Leave Rights for details.

Oct. 21, 2020: MPSERS Employer News — October 2020 reiterated expiration dates detailed in September issue of the newsletter.

Nov. 19, 2020: MPSERS Employer News — November 2020 further defined hazard pay. See the November issue of the newsletter for details.

Jan. 20, 2021: MPSERS Employer News — January 2021 gave notice of FFCRA Leave extensions due to CAA, 2021. See the January issue of the newsletter for details.

(Last updated: 01/20/2021)