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# Contribution Reporting FAQs



# Contribution Accounting Team



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## Topics

Maximum Compensation Rate(s)

Fiscal Year Rate Changes

Prop 301\$ FY2025

FY2025 Corrections

Service Purchase

Payroll Software Changes

## Contribution Calculator

<https://www.azasrs.gov/content/calculate-your-asrs-contribution>

[+ Step by Step Instructions](#)

Membership Date:

Please enter a date

Pay Date:

All forms of income that appear on your pay stub	Should you pay ASRS contributions on this?	Enter your gross pay from one pay stub	ASRS Contribution Rate (Plan + LTD)	ASRS Member Contribution Amount (Plan + LTD)	ASRS Employer Contribution Amount (Plan + LTD)
- Select Income Type - ▾	<input type="checkbox"/>	\$ 0.00	<input type="text"/>	\$ 0.00	\$ 0.00
- Select Income Type - ▾	<input type="checkbox"/>	\$ 0.00	<input type="text"/>	\$ 0.00	\$ 0.00
- Select Income Type - ▾	<input type="checkbox"/>	\$ 0.00	<input type="text"/>	\$ 0.00	\$ 0.00
- Select Income Type - ▾	<input type="checkbox"/>	\$ 0.00	<input type="text"/>	\$ 0.00	\$ 0.00
- Select Income Type - ▾	<input type="checkbox"/>	\$ 0.00	<input type="text"/>	\$ 0.00	\$ 0.00
<b>Total Contribution to ASRS:</b>				\$ 0.00	\$ 0.00



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# Employer Conference 2025

## ASRS Pay Types

- 01) Base Pay/ Leave Pay:** Base pay” means the fixed gross amount paid to a member as salary or wages for services rendered to or for an employer, typically every two weeks or other consistent periodic basis, including amounts that are subject to deferred compensation or tax sheltered agreements or that would have been paid to a member except for the member’s election or a legal requirement that all or part of the gross amount be used for other purposes. For purposes of Arizona Revised Statutes §38-711 (7), amounts paid in excess of compensation limits established in A. R. S. §38-746 are not considered compensation for pension purposes. “Leave pay” means payments made by an employer to an employee in connection with an approved absence from work, whether in connection with an illness or injury, a vacation, the use of personal time or other time off.
- 02) Overtime Pay** means the additional amounts paid to a member as salary or wages whose employment position qualifies to receive such pay. Federal law requires that non-exempt employees (see the Fair Labor Standards Act as amended) who work more than 40 hours in a work week, as designated by the employer, must be paid at a higher rate for the overtime hours worked, at a minimum of 1 ½ times the regular pay rate.
- 03) Leave of Absence Partial Pay** means payments made by employer to an employee at an amount less than the employee’s regular salary or wages paid during an approved leave of absence.
- 04) Non Standard Pay** means payments other than Base pay or any of the other defined pay types.
- 05) Balance of Contract Pay** means the last payment of the fiscal year that represents the remaining portion/balance of the member’s salary or wages in accordance with the member’s written request with respect to the frequency (number of pay periods) over which the member wishes to receive that fiscal year’s contact salary.
- 06) Retroactive and Claim Resolution Pay:** “Retroactive pay” means payments made in a lump sum by an employer to an employee but which represent payments that would normally have been paid in connection with prior, separate pay periods but for a delay in granting a pay increase or other failure to timely pay amounts due to an employee. “Claim resolution pay” means payments designated as salary or wages and paid by an employer to an employee pursuant to court or administrative order, or by settlement, in connection with any grievance or claim filed by an employee.
- 07) Performance, Bonuses, Longevity, Stability Pay, and Employer paid Deferred Comp or tax sheltered plan:** “Performance pay” means “bonus pay” or other monetary awards paid by an employer to an employee to reward the employee for performance over a prior period of time, and which are typically paid annually. “Bonus pay” means compensation over and above the amount of pay specified as base pay or hourly rate of pay. Bonus pay may be distributed randomly or as specified by contract and is usually tied to achievement of a pre-determined business objective within a specific time frame. “Longevity pay” means payments made by an employer to an employee that are typically paid annually and are based on the period of time that the employee was employed by the employer, but are not attributable to any specific pay period. “Stability pay” means payments made by an employer to an employee that are typically paid annually or at



## ASRS Compensation Quick Reference Guide

Note: If there is a conflict of information, Arizona Revised Statutes and the Arizona Administrative Code, along with any federal laws, the regulations of the Social Security Administration, and the Internal Revenue Service codes, shall have final authority

### Payments Not Included in compensation ASRS Membership: January 1, 2020 or after

- Employer contributions to tax qualified deferred compensation

### Payments Not Included in compensation ASRS Membership January 1, 1984 – December 31, 2019

- Termination pay

### Payments Not Included in compensation ASRS Membership Prior to January 1, 1984

- A buy-out or contract buyoff of an employee.



## ASRS Compensation Quick Reference Guide

Note: If there is a conflict of information, Arizona Revised Statutes and the Arizona Administrative Code, along with any federal laws, the regulations of the Social Security Administration, and the Internal Revenue Service codes, shall have final authority

### Payments Included in compensation ASRS Membership: January 1, 2020 or after

- Base pay or regular pay
- Paid leave
- Balance of Contract
- Performance Pay
  - Related to services rendered regardless of when the member receives the pay
  - Examples: merit awards, bonuses, incentives, longevity pay, Proposition 301 payments
- Standby/On-Call pay
- Pay the member receives in excess of the member’s base pay
  - During a specific time period, e.g., Night Shift
  - To perform duties involving physical hardship, e.g., Hazardous Duty
  - To complete a specific assignment
  - Overtime
- May be defined through Legal Action
  - Lawsuit or Settlement Agreement
  - Payment/terms must comply with ASRS statutes to be considered in ASRS benefits
- Military Differential Pay

### Payments Included in compensation ASRS Membership January 1, 1984 – December 31, 2019

- Base pay or regular pay
- Paid leave
- Balance of Contract
- Performance Pay
  - Related to services rendered regardless of when the member receives the pay
  - Examples: merit awards, bonuses, incentives, longevity pay, Proposition 301 payments
- Standby/On-Call pay
- Pay the member receives in excess of the member’s base pay
  - During a specific time period, e.g., Night Shift
  - To perform duties involving physical hardship, e.g., Hazardous Duty
  - To complete a specific assignment
  - Overtime
- May be defined through Legal Action
  - Lawsuit or Settlement Agreement
  - Payment/terms must comply with ASRS statutes to be considered in ASRS benefits
- Military Differential Pay
- Employer contributions to tax qualified deferred compensation plans other than the ASRS defined benefit plan
- Non-accountable allowance or reimbursement
  - Payment made to the member for costs incurred, incidental to the member’s job
  - Member is not required to provide proof of actual expenditures
  - Examples: cell phone, vehicle allowances
- Mandatory payout of unused leave
  - Employee does not have choice
  - Employer policy to reduce accrued leave balance
  - \*If leave payout is due to termination of employment - would be termination pay

### Payments Included in compensation ASRS Membership prior to January 1, 1984

- Base pay or regular pay
- Paid leave
- Balance of Contract
- Performance Pay
  - Related to services rendered regardless of when the member receives the pay
  - Examples: merit awards, bonuses, incentives, longevity pay, Proposition 301 payments
- Standby/On-Call pay
- Pay the member receives in excess of the member’s base pay
  - During a specific time period, e.g., Night Shift
  - To perform duties involving physical hardship, e.g., Hazardous Duty
  - To complete a specific assignment
  - Overtime
- May be defined through Legal Action
  - Lawsuit or Settlement Agreement
  - Payment/terms must comply with ASRS statutes to be considered in ASRS benefits
- Military Differential Pay
- Employer contributions to tax qualified deferred compensation plans other than the ASRS defined benefit plan
- Non-accountable allowance or reimbursement
  - Payment made to the member for costs incurred, incidental to the member’s job
  - Member is not required to provide proof of actual expenditures
  - Examples: cell phone, vehicle allowances
- Mandatory payout of unused leave
  - Employee does not have choice
  - Employer policy to reduce accrued leave balance
  - \*If leave payout is due to termination of employment - would be termination pay
- Termination pay
  - Pay that is only occurring because the member is terminating employment

## Maximum Compensation

### Fiscal Year 2025

Membership Date  
Before 7/1/1996

• \$505,000

Membership Date  
Beginning 7/1/1996

• \$345,000

Hello, Contributions Specialists,

Please be advised the above-mentioned member has exceeded the IRC 401(a)(17) compensation limit for this fiscal year. For members with an ASRS membership date **before 7/1/1996 / on or after 7/1/1996** the limit for FY 2025 is \$41,814 in retirement contributions or \$345,000 in compensation.

A total of \$43,202.78 in retirement contributions or \$356,458.60 in compensation has been reported on behalf of **the above employee** as of the pay period ending **05/04/2025**. The excess contributions must be returned to the member.

Please process a credit in the amount of \$1,388.78 (*over limit amount*) for employee and employer contributions each, for a total of \$2,777.56 (*over limit amount x 2*). Also, please report only Long Term Disability contributions for the remainder of FY2025. When you process the credit please use "Max Compensation Limit" or "IRC 401(a)(17)" as a comment to explain the adjustment.

## Maximum Compensation Fiscal Year 2026

Membership  
Date Before  
7/1/1996

• \$520,000

Membership  
Date Beginning  
7/1/1996

• \$350,000

## FY 2025-2026 Rates

Below are the contribution rates for **fiscal year 2025-26, effective July 1, 2025, through June 30, 2026.**

	Retirement Pension	Health Benefit Supplement	Long Term Disability	Total Rate
Employee	11.86%	n/a	0.14%	12.00%
Employer	11.83%	0.03%	0.14%	12.00%
Employer-Only ACR	9.72%	0.00%	0.03%	9.75%

## FY 2025 Corrections

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## How to Report 301 Monies

For any Fiscal Year 2025 Prop 301 Performance Based Pay that has not been issued to the employee's at this time:

- i. Use the current fiscal year PPE date that you are issuing funds on
  - i. Example paying employees on 9/15/2025 you would use the PPE date of 9/15/2025
- ii. Use the Current fiscal year Rate's
  - i. Example for PPE 9/15/2025 FY26 Rate
  - ii. Retirement 11.86% and LTD .14% for both Employee and Employer
- iii. Payment for Prop 301 was due on 6/30/2025 for Fiscal year 2025
  - i. Late charges for any funds not received will be assessed at the end of FY26
- iv. Late charge invoices for FY2024 payments received late after July 14<sup>th</sup>, 2024, were issued in July of 2025.

## Service Purchase

Be aware of  
number of  
payments due

Each PDA for a  
member needs a  
separate  
payment

PDA Pay  
type: 01

Note when  
Termination Pay is  
elected on the PDA

# Payroll Software Changes/Updates

- i. Send ASRS a Secure Message
  - i. Include the Timeline
  - ii. Name of software company
- ii. ASRS – Pay Type Mapping Process
- iii. ASRS – File Specifications
- iv. ASRS will work with the employer and their vendor to test the files
- v. Once file testing is completed we will let you know to go Live with the system.

## Contacting ASRS

- Your Account <
- Home Page
- Communication & Education <
- Secure Messages**
- Employer Tutorials

### Employer Home

[Live Chat](#)

#### Welcome to Your ASRS Employer Homepage

Your employer homepage has been created for you to process information for your employees.

You have **3** unread messages. Click [here](#) to view your Secure Messages

Email to [EmployerRelations@azasrs.gov](mailto:EmployerRelations@azasrs.gov)

By phone: 602-240-2000



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## Employer Conference 2025

# Thank You

Thank you for your attendance in this year's conference. Please keep an eye out for our survey in the next few days. We'd appreciate any and all feedback regarding this year's conference!

For any immediate questions or concerns, please reach out by secure message, live chat or email to [EmployerRelations@azasrs.gov](mailto:EmployerRelations@azasrs.gov).