

## 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 termination of employment, are based on the period of time that the employee was employed by the employer, and are attributable to specific pay periods or months of employment. “Employer paid Deferred Comp or tax sheltered plan” means payments made by an employer on behalf of an employee to a tax qualified deferred compensation plan. These payments were ruled ASRS compensation by the Arizona Supreme Court on March 23, 2017.
- 08) Termination Incentive** means payment the employer provides to or on behalf of an employee that is conditioned on the employee’s termination from employment. Such pay is considered compensation for pension purposes only for employees hired before January 1, 1984.
- 09) Termination Pay** means payments made by an employer to an employee, whether the payments are made in one payment or by installments over a period of time, and whether paid before, after, or both before and after termination, due to termination of employment, including 1) pay for accumulated vacation or annual leave, sick leave, or compensatory time, including payments spread over a period of months prior to termination but paid only on the employee’s representation that the employee will terminate on or before a date certain, 2) pay for an employee’s agreement to terminate employment, 3) any other form of payment made due to termination of employment. Such pay is considered compensation for pension purposes only for employees hired before January 1, 1984.