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
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- **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

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 plans other than the ASRS defined benefit plan**
- **Termination pay**
  - Pay that is only occurring because the member is terminating employment
- **A buy-out or contract payoff of an employee.**
  - Such payments are considered to be payments to forfeit a property right, and as such, do not constitute compensation
- **Payments made to the employee as part of an incentive program for an employment benefit.**
  - For example, employer offered payment to employees as incentive to participate in preventive health screenings
- **Accountable Reimbursements**
  - Payment to offset expenses incurred by the employee on behalf of the employer
  - Employee must provide receipts or documentation to the employer
- **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
- **Payout of unused leave**
  - Employer policy to reduce accrued leave balance
  - Includes: general, sick, vacation leave, PTO, etc., and compensation time payouts

  **If leave payout is due to termination of employment - would be termination pay*
- **Optional payments in lieu of fringe benefits**
  - Health insurance opt-out
  - Leave time sellback/buyback
- **Short Term Disability Pay**
- **Worker's Compensation Pay**
- **Gift cards**

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

- **Termination pay**
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- **Worker's Compensation Pay**
- **Gift cards**

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

- **A buy-out or contract payoff of an employee.**
  - Such payments are considered to be payments to forfeit a property right, and as such, do not constitute compensation
- **Payments made to the employee as part of an incentive program for an employment benefit.**
  - For example, employer offered payment to employees as incentive to participate in preventive health screenings
- **Accountable Reimbursements**
  - Payment to offset expenses incurred by the employee on behalf of the employer
  - Employee must provide receipts or documentation to the employer
- **Optional payments in lieu of fringe benefits**
  - Health insurance opt-out
  - Leave time sellback/buyback
- **Short Term Disability Pay**
- **Worker's Compensation Pay**
- **Gift cards**