

# Reporting Monthly Member and Employer Contributions to the System

## Member Contributions

Members currently contribute six percent of their salary, which is deducted each payday. “Compensation” includes all salaries and wages (except terminal payments for unused sick leave) earned by employees or teachers in a unit of TSERS if they are performing full-time work. “Compensation” also includes longevity payments. Not included are payments, as determined by the Board of Trustees, for the reimbursement of expenses or payments for housing or any other allowances, whether or not classified as salary or wages.

In addition to salaries and wages earned by a member for service as an employee or teacher, the following items also meet the statutory definition of “compensation” for retirement purposes:

- Performance-based compensation (regardless of whether paid in a lump sum, periodic installments or on a monthly basis)
- Conversion of additional benefits to salary (such as health, life or disability plans), as long as the benefits are not mandated by state law or regulation
- Payment of tax consequences for benefits provided by the employer if they are an adjustment or increase in salary, and not a “reimbursement of expenses”
- Payout of vacation leave that is permitted by applicable law and regulation
- Employee contributions to eligible deferred-compensation plans
- Payment of military differential wages

The following items do not meet the statutory definition of “compensation” for retirement purposes:

- Any supplement or allowance provided to an employee to purchase additional benefits such as health, life or disability plans
- Travel supplement or allowance (non-accountable allowance plans)
- Employer contributions to eligible deferred-compensation plans
- Employer-provided fringe benefits (additional benefits such as health, life or disability plans)
- Reimbursement of uninsured medical expenses
- Reimbursement of business expenses
- Reimbursement of moving expenses
- Reimbursement or payment of personal expenses
- Incentive payments for early retirement
- Bonuses paid at or near retirement
- Contract buy-out or severance payments
- Payouts for unused sick leave