



When an employee is eligible for membership, their earnable compensation is reported to MainePERS. Payments that are not earnable compensation are not reported to MainePERS. Earnable compensation is “salaries and wages paid for services rendered in an employment position, subject to...inclusions, exclusions, and limitations.” The examples below are intended as guidance regarding what is and is not earnable compensation.¹

Earnable Compensation Guide		
Payment Type	Earnable	Not Earnable
Regular wages	Earnable	
Retroactive payments for back wages	Earnable	
Interest paid on retroactive payments		Not Earnable
Overtime Pay	Earnable	
Shift Differential Pay	Earnable	
On-Call Pay	Earnable	
Workers' compensation payments	Paid to replace wages is earnable	Any non-wage reimbursement ² is not earnable
Educational Pay (including pay received for pursuing or obtaining an academic or professional credential)	Paid as an ongoing part of salary/wages is earnable	One-time, sporadic or temporary compensation is not earnable
Expense reimbursements		Not Earnable
Allowances for meals, clothing, phones, vehicle, travel, lodging, technology	Room and/or Board as a fringe benefit.	Not Earnable- including reimbursements.
Payment in lieu of benefits ³		Not Earnable
Sick leave bank or from accruals donated to a member by other employees including any accruals earned as a result of sick bank pay status		Not Earnable
Bonus or incentive payments (recruitment, retention, contract signing)		Not Earnable
Any payment that is not for services rendered		Not Earnable
Any payment not paid at the time services are rendered ⁴		Not Earnable
Longevity pay	Paid as an ongoing part of salary/wages is earnable	One-time, sporadic or temporary compensation is not earnable
Tax Sheltered Annuity, Deferred Compensation, Defined Contribution	Contributions paid as an ongoing part of salary or wages is earnable	Payments made in lieu of another benefit, employer matching contributions, or any payment not directly tied to services rendered are not earnable
Administrative Leave	<ul style="list-style-type: none"> • Facility closures (storm, facilities issues, contagious outbreak) is earnable • For routine investigation up to 30 days is earnable (beyond 30 days contact MainePERS) 	<ul style="list-style-type: none"> • After individual sick/vacation leave exhausted if not regularly available to all employees is not earnable; • Discretionary separation payment is not earnable; • For a period the employee did not work due to a suspension or termination is not earnable
Continued on reverse		

EARNABLE COMPENSATION

Earnable Compensation Guide (continued)

Payment Type	Earnable	Not Earnable
Vacation / Sick / PTO / Comp Time Utilized/ Holiday and Floating Holiday Pay	Earnable	
Vacation / Sick / PTO pay outs	At final termination prior to retirement, is earnable for: <ul style="list-style-type: none"> • PLD members retiring with 20 years or more of consolidated-plan service or; • State/Teacher Plan Members whose Normal Retirement Age is 60 	Paid at a time other than at final termination prior to retirement is not earnable
Comp Time cash outs	Paid in the same year (calendar, fiscal, school) accrued is earnable	Paid after the year (calendar, fiscal, school) accrued is not earnable
Stipends	Dependent on the nature of the position – please contact Retirement Services or Employer reporting	
Settlements	Dependent on the nature of the position – please contact Retirement Services or Employer reporting	

Explanatory Notes:

- 1) For assistance reporting earnable compensation please contact your Employer Reporting Account Associate.
- 2) e.g. medical expenses and legal expenses
- 3) e.g. eliminating a benefit in return for additional compensation or providing a choice between a benefit or payment.
- 4) “Paid at the time services rendered” means payment occurred within the same contract year as the service.