

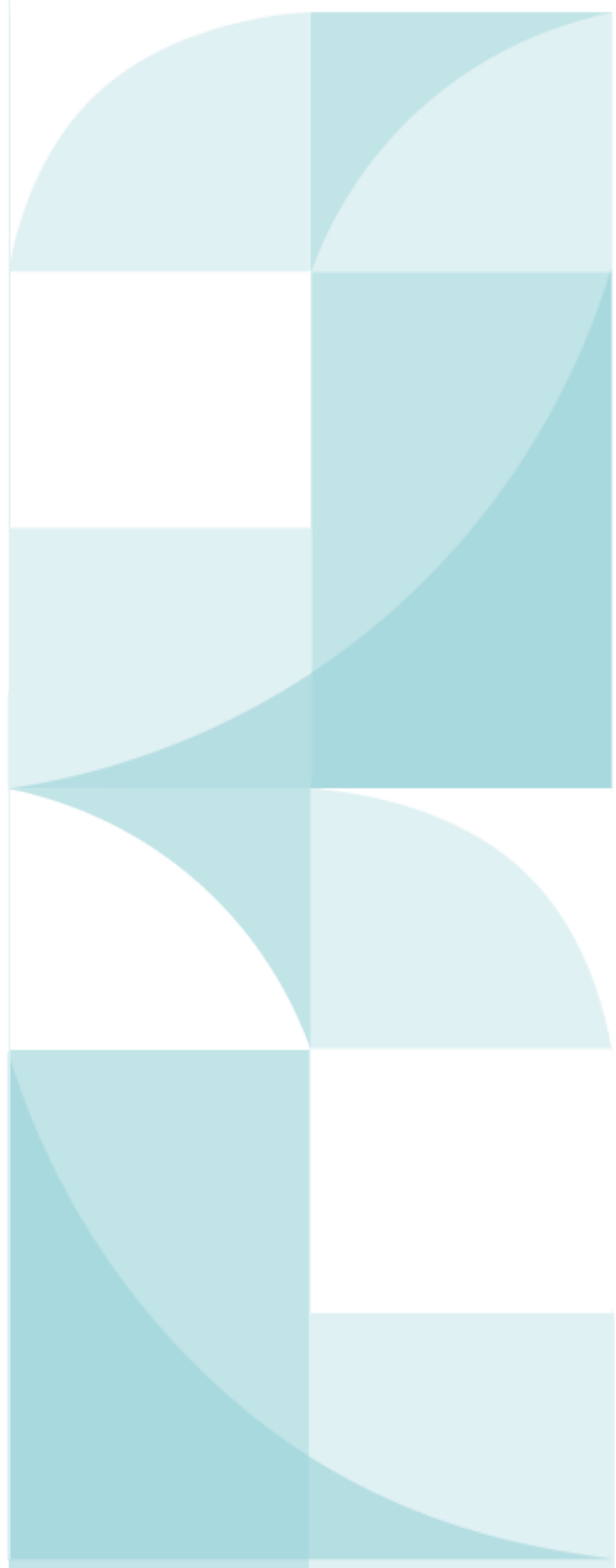


Correct Usage of Subject and Non-Subject Salary Fields

Employer Reporting Quick-Reference Guide

Through 10 sample scenarios, this guide demonstrates how to report payments on a Detail 2 record by using the correct combination of wage code and Subject Salary or Non-Subject Salary field.

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Introduction

When you are reporting regular wages for someone who is not earning benefits (i.e., non-qualifying or working retiree), should you use the Non-Subject Salary field?

Knowing when to use the Subject Salary or Non-Subject Salary field can be challenging. The key is to understand how EDX determines whether to charge pension contributions. EDX is programmed to decide automatically using the first three factors in the table below. The Non-Subject Salary field is only used in special situations.

The purpose of this guide is to help you use the correct salary field (and wage code) to report payments in nonstandard situations.

How EDX decides whether to charge contributions on wages

1	The employee's PERS pension program Tier One, Tier Two, or Oregon Public Service Retirement Plan (OPSRP).	<i>By law, payments are either subject or non-subject salary based on the recipient's PERS pension program. EDX is programmed with many of the payment types listed in the Payment Categories Chart. Make sure to report payments as directed on the chart.</i>
2	The employee's hire intent or position type Hire intent: qualifying hire, non-qualifying hire, or retiree hire. Position type: active service or non-qualifying service.	<i>EDX automatically charges contributions on wages for qualifying and active service positions.</i> <i>EDX knows when a qualifying employee is serving their wait time* and will not charge contributions.</i> <i>Also, EDX knows when an employee is a PERS retiree and will charge employer rate contributions on their wages but not expect member IAP contributions.</i>
3	The Detail 2 wage code The wage code tells EDX the type of wages you are reporting.	<i>For example: wage code 01 tells EDX you are reporting wages for a qualifying or active service position. Code 02 means you are reporting for a non-qualifying position. Code 17 means you are reporting for a retiree. Remember that the wage code and position type must align (e.g., retiree hire status + retiree wages).</i>
4	The Detail 2 Subject Salary or Non-Subject Salary field Subject Salary (Regular) or (Overtime) field or Non-Subject Salary field.	<i>If factors 1, 2, and 3 specify that wages do not owe contributions, EDX will not charge contributions — even if you enter wages in the Subject Salary field.</i> <i>However, the Non-Subject Salary field trumps the other factors. If factors 1, 2, and 3 show that EDX should charge contributions, but wages are in the Non-Subject Salary field, EDX will not charge contributions.</i>

***Wait time:** When an employee who is not yet a PERS member begins working in a qualifying position, the employee must work for six months for the same employer before they establish membership. This is called wait time. The day after wait time is the employee's first day of membership, which is called their contribution start date (CSD).

Reporting wages

For most salary and payment reporting situations, EDX can automatically determine whether or not to charge contributions based on factors 1–3 on the previous page. Just because certain wages are non-subject salary does not mean they are reported in the Non-Subject Salary field. Instead, this field is reserved for special situations when you need to override EDX's automatic determination to charge contributions.

This section explains how to report wages in 10 nonstandard scenarios. Read all the situations or click one in the table below to jump to it.

Subject vs non-subject salary

Subject salary = payments that qualify to earn retirement benefits per Oregon law.

Non-subject salary = payments that do not qualify to earn benefits per Oregon law.

Ten sample reporting situations

Example number	Wage-reporting situation
Situation 1	A seasonal employee who works fewer than 600 hours/year.
Situation 2	A new full-time employee who is in their first six months.
Situation 3	An employee who is a PERS retiree.
Situation 4	A full-time employee receiving regular wages + a special payment that is non-subject salary.
Situation 5	A full-time employee being paid at the end of their wait time for a pay period that includes wages earned during wait time and wages earned after wait time.
Situation 6	A part-time employee in two non-qualifying positions for two employers who exceeded 600 hours this year and changed to active service.
Situation 7	A school employee receiving pay during summer break without working any hours.
Situation 8	An employee receiving wages while on a leave of absence.
Situation 9	An employee receiving lump-sum pay for their compensatory time.
Situation 10	An employee cashing out some vacation pay.

1. Non-qualifying employee

Reporting situation 1	A seasonal employee who works fewer than 600 hours/year.
Employee's last posted status	15 Non-Qualifying Hire.
Report pay with this wage code	02 Regular/Non-Qualifying Wages.
Report pay in this salary/payment field	Subject Salary.
Contributions charged?	No.

2. Qualifying employee in wait time

Reporting situation 2	A new full-time employee who is in their first six months.
Employee's last posted status	01 Qualifying New Hire.
Report pay with this wage code	01 Regular Wages.
Report pay in this salary/payment field	Subject Salary.
Contributions charged?	No. EDX knows employee is serving wait time.* It will not charge contributions until the contribution start date.

*To qualify for OPSRP membership, employee's wait time must meet four requirements:

1. Work for six months in a qualifying position (established by a "qualifying" hire intent or working more than 600 hours in a calendar year).
2. Work for one employer with no break in service longer than 30 consecutive working days over the six-month wait time.

Note: If an employee takes an official period of leave without pay (LWOP) during their wait time, the wait-time period is extended by the length of the leave. A school employee's summer or winter break does not count as a break in service.

3. Still be employed with the same employer on the last day of wait time.
4. Still be employed with the employer on the first day of their membership, called their contribution start date (CSD).

3. Working PERS retiree

Reporting situation 3	An employee who is a PERS retiree.
Employee's last posted status	11 Retiree New Hire.
Report pay with this wage code	17 Retiree Wage.
Report pay in this salary or payment field	Subject Salary.
Contributions charged?	Yes. Only employer rate contributions are charged, not 6% IAP contributions. Do not enter a figure in any of the IAP fields (MPPT, MPAT, or EPPT).

4. Qualifying employee who is receiving wages + a non-subject payment

Reporting situation 4	A full-time employee receiving regular wages + a special payment that is non-subject salary according to Payment Categories chart .
Employee's last posted status	01 Qualifying New Hire.
Report pay with this wage code	01 Regular Wages.
Report pay in this salary or payment field	Regular salary in the Subject Salary field. Special payment in the Non-Subject Salary field.
Contributions charged?	Yes on regular salary. No on special payment.

5. Qualifying employee at the end of wait time

Reporting situation 5	A full-time employee being paid at end of wait time for a pay period that includes wages earned during wait time and wages earned after wait time.**
Employee's last posted status	01 Qualifying New Hire.
Report pay with this wage code	01 Regular Wages.
Report pay in this salary or payment field	Non-Subject Salary.
Contributions charged?	No.

6. Non-qualifying employee who has reached 600 hours

Reporting situation 6	A part-time employee who is in two non-qualifying positions for two employers and who exceeded 600 hours this year; both employers changed his position type to active service for the calendar year (via DCR).
Employee's last posted status	15 Non-Qualifying Hire. Position type: active service.
Report pay with this wage code	01 Regular Wages.
Report pay in this salary or payment field	Subject Salary.
Contributions charged?	Yes, once wait time is achieved (see asterisk on p. 5). In this situation, if employee reaches 600 hours in the year they are hired, wait time would start as of January 1 or their hire date, whichever is later.

**Once your employee's contribution start date (CSD) hits, EDX begins charging contributions on all posted pay dates. However, contributions are not due until the *first full pay period* after the CSD. Remember that their CSD is their first day of membership, which is the day after their successful six-month wait time.

Therefore, to prevent EDX from charging contributions on wages earned during wait time but paid after CSD, you must report all salary for a pay period that includes hours worked during wait time as non-subject salary.

7. School employee who is receiving pay during summer break

Reporting situation 7	<p>A school employee receiving pay during summer break without working any hours (this employee works for 10 months and is paid over 12 months).</p> <p>Note: Do not put employees on leave during summer break; just do not report any hours for them.</p>
Employee's last posted status	01 Qualifying New Hire.
Report pay with this wage code	<p>08 Contributions/No Service</p> <p>Wage code 08 is only used to report pay without hours for established PERS members.</p> <p>Do not use wage code 08 to report pay for:</p> <ul style="list-style-type: none"> ▪ Working retirees. ▪ Non-qualifying employees. ▪ Employees serving wait time. ▪ Employees on leave without pay. <p>To report pay for employees on leave, stop their leave for one day, as explained in employer reporting guide 13, Family and Medical Leave, section "Reporting Pay During Family or Medical Leave," subsection "Reporting Other Types of Pay."</p>
Report pay in this salary or payment field	Subject Salary.
Contributions charged?	<p>Yes.</p> <p>(Salary reported with 08 does not earn service credit, but employee may earn educational service credit for the summer months.)</p>

8. Employee receiving pay during leave without pay

Reporting situation 8	An employee receiving wages while on a leave of absence.
Employee's last posted status	Either 03 Family Leave, 05 Military Leave, or 07 Leave of Absence.
Report pay with this wage code	<p>None – do not post wages when an employee is on a leave status; do not report pay from a third party (PERS only needs to know about pay from employee's PERS-participating employer(s)).</p> <p>Exceptions:</p> <ul style="list-style-type: none"> ▪ For first 30 days of leave, EDX allows you to post wages earned before leave began; use wage code you would normally use for that employee. ▪ To report wages earned during leave (e.g. holiday pay), stop leave for one day, as explained in employer reporting guide 13, Family and Medical Leave, section "Reporting Pay During Family or Medical Leave," subsection "Reporting Other Types of Pay."
Report pay in this salary or payment field	Subject Salary (only for wages earned while employee is not on leave status, such as holiday pay earned on the day employee's leave was stopped)
Contributions charged?	<p>Yes.</p> <p>Only on qualifying pay earned on days while not on leave, such as a day of holiday pay.</p>

9. Employee receiving a lump-sum payment

Reporting situation 9	<p>An employee receiving a lump sum payment for their compensatory time.</p> <p>(Per Payment Categories Chart, payment is subject salary for Tier One/Tier Two, non-subject for OPSRP.)</p>	
Employee's last posted status	Tier One/Tier Two active qualifying member.***	OPSRP active qualifying member.***
Report pay with this wage code	01 Regular Wages.	01 Regular Wages.
Report pay in this salary or payment field	Lump Sum Payoff. EDX automatically charges contributions.	Lump Sum Payoff. EDX does not charge contributions for OPSRP.
Contributions charged?	Yes.	No.

10. Employee receiving lump-sum vacation pay

Reporting situation 10	<p>An employee cashing out some vacation pay</p> <p>(Per Payment Categories Chart, vacation-pay lump sum is subject salary for Tier One/Tier Two, non-subject for OPSRP.)</p> <p>Note: When employee uses vacation time, sick leave, or any paid time off, report the same as worked hours.</p>	
Employee's last posted status	Tier One/Tier Two active qualifying member.***	OPSRP active qualifying member.***
Report pay with this wage code	01 Regular Wages.	01 Regular Wages.
Report pay in this salary or payment field	Lump Sum Vacation Payoff. EDX charges contributions.	Lump Sum Vacation Payoff. EDX does not charge contributions.
Contributions charged?	Yes.	No.

***Employees in non-qualifying positions are not exempt from cashing out accrued-time pay, but it is unlikely that they would have any. However, if they did, you would fill in the fields the same as with a qualifying employee except use wage code 02 – Regular/Non-Qualifying.

Reporting salary that is above the annual salary limit

Oregon law limits the amount of an employee's salary that can be included when calculating a retirement benefit. This program, called Salary Limit, prevents overly generous pensions for high earners by requiring employers to limit the amount of subject salary reported per employee each year. The limit is posted on the [Subject Salary webpage](#).

Salary Limit is an example of a reporting situation that requires use of the **Non-Subject Salary field**. However, it is not included in the 10 scenarios because it requires assistance from an [Employer Service Center representative](#). Determining the amount to enter as non-subject salary can be tricky.

To prepare to meet with your ESC rep about salary limit, review the instructions below.

Employees affected by the salary limit

High-earning qualifying employees and working retirees may both be affected. Although retirees are no longer active members, employers are responsible for paying employer rate contributions on their salaries as if they were active members. Therefore, the salary limit does apply to them.

How to know if an employee reaches the salary limit

If you submit a Detail 2 Wage and Service record for an employee and the wages in that record put them over that year's salary limit, EDX flags the wage record with an error. When you open the suspended record, the error message explains the error.

Correcting a suspended record

Edit the record by subtracting the amount of wages that are over the salary limit from the amount in the Subject Salary field. Leave the reduced amount in the Subject Salary field. Take the overage amount and enter it in Non-Subject Salary field. Correct the IAP contribution by multiplying the new Subject Salary amount by 6%. Enter that new percentage in the IAP field (MPPT, MPAT, or EPPT).

For the rest of that calendar year, report all of that employee's salary in the Non-Subject Salary field. Do not include IAP contributions.

Calculating a partial-year salary limit

When an employee (including a rehired retiree) is employed for less than 12 months in a calendar year (e.g., they are hired part-way through the year or leave part-way through the year), the salary limit is prorated.

To find the salary limit for 1 through 11 months, go to the employer [Salary Limit webpage](#), section "Prorating Partial-Year Salary Limits by Month."

Again, [contact your ESC rep](#) for help reporting.

Links to reporting references and guides

These guides are in a PDF format that you can read online, download, or print.

Employer reporting guide 5, [Creating a Record](#)

Employer reporting guide 6, [Correcting Suspended Records](#)

Employer reporting guide 7, [Reporting a New Employee](#)

Employer reporting guide 9, [Reporting Wages for a Qualifying Employee](#)

Employer reporting guide 10, [Reporting Wages for a Non-Qualifying Employee](#)

Employer reporting guide 11, [Reporting a Leave](#)

Employer reporting guide 13, [Family and Medical Leave](#)

Employer reporting guide 20, [Creating a Demographic Correction Request \(DCR\)](#)

Employer reporting guide 23, [Submitting an Adjustment Record](#)

[Wage Codes quick reference guide](#)

[Status Codes quick reference guide](#)

[Payment Categories Chart](#)