

### Reporting Contributing Leaves

To prevent members from being taxed twice on contributions while on contributing leaves, we request employers to submit salary information applying the following guidelines:

<b>If</b>	<b>Then</b>
<b>The employer is reporting the full contract salary to the IRS,</b>	<b>The full contract salary should be reported to PSERS as Base.</b>  <b>The Member Contributions should be deducted from that Base salary.</b>
<b>The employer is reporting part of the full contract salary to the IRS,</b>	<b>The portion of the contract salary being reported to the IRS should be reported to PSERS as Base. The portion of the contract salary not being reported to the IRS should be reported to PSERS as Unpaid Retirement Covered Compensation (URCC).</b>  <b>The Member Contributions for the full contract salary should be deducted from the Base.</b>
<b>The employer is not reporting any of the full contract salary to the IRS,</b>	<b>The full contract salary should be report to PSERS as URCC.</b>  <b>The employer should collect the PSERS Member Contributions directly from the member and remit to PSERS with the Member Savings funds.</b>

**Example 1: Contract Salary = \$50,000**  
**Base (Reported to IRS) = \$50,000**  
**URCC = \$0.00**  
**Member Contribution Rate = 7.50%**  
**Member Contributions Due = 3,750 (deducted from BASE)**

**Example 2: Contract Salary = \$50,000**  
**Base (Reported to IRS) = \$26,000**  
**URCC = \$24,000.00**  
**Member Contribution Rate = 7.50%**  
**Member Contributions Due = 3,750 (deducted from BASE)**

**Example 3: Contract Salary = \$50,000**  
**Base (Reported to IRS) = \$0.0**  
**URCC = \$50,000.00**  
**Member Contribution Rate = 7.50%**  
**Member Contributions Due = 3,750 (the member pays the  
employer and employer remits to PSERS)**