RETROACTIVE PAYMENTS

*Additional steps are now required in the Employer Secure Area (ESA) to clarify retroactive payments. Multiple year retroactive payments must be submitted using a spreadsheet via the ESA or the provided grid. Only the total retroactive payment will be reported in **G. MTD Retro Earliest Prior Yr Pay.** For additional information, see the [District Retroactive Pay Procedures](#) in Section 6 of the Employer Manual.*

G. MTD Retro Earliest Prior Yr Pay must be used to report the total retroactive salary adjustments for each employee. Retroactive Payments are the total monies paid to a member during a current school year for salary payable in one or more prior school year(s). These payments are normally the result of contract settlements, litigation or arbitration agreement adjustments. In cases where payments for earlier years are the result of litigation or arbitration, we require copies of all legal documents and the explanation of how the payments were determined.

If the reported retroactive earnings include a retroactive adjustment for Termination Payments or Non-Regular Compensation Payments, these payments should be reported in pay category **K: MTD Termination Pay or L: MTD Non-Regular Comp Pay**. For retirees, it is required to use these data fields to report retroactive earnings paid after retirement but earned prior to the effective date of retirement.

Note: Retro Contract Multiple Year Flag, Retro Contract Start Year, H. MTD Retro Next Prior Yr Pay and I. MTD Retro Latest Prior Yr Pay are no longer required with the updated retroactive payment reporting.

- **Current Year Payment** - If the district is paying retroactive earnings for the current year, those earnings should be reported in B: MTD Base Salary Pay. For those districts unable to map the current year retro to the base amount, you may include this amount in G.MTD Retro Earliest Prior Yr Pay and then select the current year from the drop down box on the Retroactive Pay page.
- **Prior Year Payment** - If only a retroactive payment is made for a prior year, the payment should be reported in G: MTD Retro Earliest Year and then select the prior year from the drop down box on the Retroactive Pay page.
- **Current & Prior Year Payments –** If retroactive payments are made for the current and prior year, you must report the current year payment in B: MTD Base Salary Pay and the prior year payment in G: MTD Retro Earliest Year then select the prior year from the drop down box on the Retroactive Pay page. If you are unable to report this way, it will be necessary to submit a spreadsheet for the multiple year retroactive payments.
- **Multiple Year Payments -** Retroactive payments for years other than the current and prior year (multiple year retroactive payments) must be submitted using the grid or a spreadsheet via the ESA. Total monies paid to a member during a current school year for salary payable in a prior school year.

Note: Overpayments - Any current year or previous year payments made in error to a member.

- Current Year - Make the necessary adjustment in the appropriate pay category, reporting a negative dollar value.
- Prior Year - Enter the negative dollar value in the pay category G: MTD Retro Earliest Prior Yr Pay. Select the appropriate year on the Retroactive Pay page field.

H. MTD Retro Next Prior Yr. Pay – This pay category is no longer available for use.

I. MTD Retro Latest Prior Yr. Pay – This pay category is no longer available for use.

Example 1: Retroactive Payment for Current Year
$5,650.00 paid 12/1/2014 for retroactive salary to 9/1/2014, 2014-2015 school year
B: MTD Base Salary Pay = $5,650.00 + regular monthly earnings

OR

G. MTD Retro Earliest Prior Yr Pay = $5,650.00
Select the current year from the drop down box on the Retroactive Pay page

Example 2: Prior Year Retroactive Payment

$5,650.00 paid 12/1/2014 for retroactive salary for the 2013-2014 school year

G: MTD Retro Earliest Prior Yr Pay = $5,650.00

Select the prior year from the drop down box on the Retroactive Pay page

Example 3: Multiple Year Retroactive Payments

$10,100.00 paid 12/1/2014 for retroactive salary for the: 2012-2013 school year- $5,650 and 2013-2014 school year - $4,450

Districts have the option of using the grid provided or a spreadsheet submission will be required. The total retro amount must be reported in pay category G. MTD Retro Earliest Prior Yr Pay:

G. MTD Retro Earliest Prior Yr Pay = $10,100.00

Example 4: Multiple Years Retroactive Payment Including Current Year

If the number of years is 4 and includes a retroactive payment for the current year, report as follows:

$16,495.00 paid 12/1/2014

2011-2012 - $5,650; 2012-2013 - $4,450; 2013-2014 - $3,895 and

2014-2015 (Current Year) - $2,500;

Districts have the option of using the grid provided or a spreadsheet submission will be required for 2011-2012 through 2013-2014. The total retro amount for these years must be reported in pay category G. MTD Retro Earliest Prior Yr Pay:

G. MTD Retro Earliest Prior Yr Pay = $13,995.00

B. MTD Base Salary Pay = $2,500.00 + any regular base pay