

LIAISON MEMORANDUM

NUMBER 07-10 (Updating Number 01-16)

To: Agency Liaison Officers

From: Cindy Rougeou
Executive Director

Re: Emoluments

Date: August 17, 2007

Under state law, the cash value of certain additional benefits known as emoluments is subject to contribution reporting by LASERS contributing agencies.

LASERS rules define *emolument* as:

“Cash compensation, which is subject to federal and state income taxes, paid to an employee in addition to the employee’s salary, but shall not include overtime, per diem, differential pay, premium pay, or payment-in-kind.” (LAC 58:I.101)

In other words, the cash value of certain emoluments is considered *earned compensation* for the purposes of contribution reporting (La. R.S. 11:403 (10)).

The following are examples of payments that qualify as emoluments and are reported as income. They include:

- Paid housing allowances,
- Car allowances,
- Food allowances, and
- Clothing allowances.

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Reimbursements of expenses *do not* qualify as emoluments.

Employer and employee contributions must be paid on the amount of emoluments. The emolument amount should be added to the base pay and earnings on the monthly agency report.

If you have additional questions, please contact a LASERS Member Services Representative at (225) 922-0600.