

Instructions for Completing Form 6487 Request for Member Pension Spiking Exemption Amounts

If you believe the amount of the creditable compensation or other account information on this form is incorrect, please contact an ERCE representative at 1-888-696-8810.

The Form 6487 is used to assist the agency in determining whether an increase in an employee's creditable compensation greater than 10% was the result of an exemption found in KRS 61.598(4) and 105 KAR 1:142 Section 4.

- The Form 6487 must be returned through Employer Self Service, or to the address or fax number on top of the form.
- You must complete the entire form and provide supporting documentation (e.g., job descriptions, wage change documentation, employee grade level changes, personnel action forms, etc.) within 30 days from the date this form is provided to the employer.
- The employee's retirement allowance may be negatively affected if you fail to timely return the completed Form 6487, do not provide an explanation and supporting documentation, or do not correct reported information needed.

Pursuant to KRS 61.598(4) and 105 KAR 1:142 Section 4, exemptions for increases in creditable compensation greater than 10% in a fiscal year over the immediately preceding fiscal year include:

- (a) Bona fide promotion or career advancement as defined by 105 KAR 1:001(14);
- (b) Lump-sum payment for compensatory time paid to an employee upon termination of employment;
- (c) Lump-sum payment made pursuant to an alternate sick leave program under KRS 78.616(5);
- (d) Increases due to leave without pay for any reason in the preceding year;
- (e) Increases directly attributable to an employee's receipt of compensation for:
 1. Overtime worked due to any state or federal grant or similar program that requires overtime for funds; or
 2. The first 100 hours of mandatory overtime that the employee is individually required to work during a fiscal year; and
- (f) Increases directly attributable to an employee's receipt of compensation for overtime performed due to:
 1. A state of emergency declared by the President of the U.S. or the Governor of the Commonwealth of Kentucky; or
 2. A state of emergency declared by a local government in which the Governor authorizes mobilization of the Kentucky National Guard pursuant to KRS 38.030 and 39A.950. *
 - For local government emergencies issued from 5/28/2020 to 10/5/2020, for overtime worked from 5/28/2020 through 5/11/2021, KY National Guard does not have to be mobilized for the entire period (2022 Ky Acts ch.100, section 2).

"Bona fide promotion or career advancement" means:

1. A professional advancement in substantially the same line of work held by the employee in the four (4) years immediately prior to the final five (5) fiscal years preceding retirement or a change in employment position based on the training, skills, education, or expertise of the employee that imposes a significant change in job duties and responsibilities to clearly justify the increased compensation to the member. KRS 61.598(1)(a); and
2. Includes any increases in creditable compensation for all employees in a specified class due to an increase in rate of pay authorized or funded by the legislative or administrative body of the employer, or due to an increase in rate of pay mandated in a collective bargaining agreement approved by the legislative body of the employer. 105 KAR 1:001.

This form should have the employer's name, employer's code, employee's name, and employee's member ID prepopulated.

Section 1 - Member Pension Spiking Exemptions

This section contains the details of the last six (6) fiscal years of the member's employment and shows the original creditable compensation, spiking increase, and the adjusted creditable compensation.

You **MUST** check either the "*No Exemptions*" **OR** "*Exemptions*" box. Failure to check one may cause the form to be invalid.

- Check "*No Exemptions*" if the increase in creditable compensation is not attributable to an allowed exemption.
- Check "*Exemptions*" if the increase in creditable compensation is attributable to an allowed exemption or due to a reporting error.

Section 2 - Exemption Amounts

Mark the status of the employee during the fiscal year(s) the increase, the promotion or the career advancement took place.

Change/Hire Date. The date of the event the employer asserts is the date the bona fide promotion/career advancement occurred.

Indicate if any creditable compensation is directly attributable to the exemptions identified below. These exemptions must be reported during the employer's normal monthly reporting process with the corresponding payment reason.

Exemption	Payment Reason
Leave without pay in the preceding year	Leave Without Pay
Lump-sum payment pursuant to alt sick leave	Alternate Sick Leave Payment
Lump-sum payment for comp time at termination	Lump Sum Compensatory Pay at Termination

In the below charts, list **ONLY** the total salary related to the exemptions remaining and the fiscal year in which it occurred.

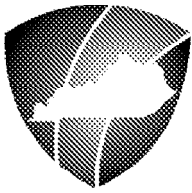
*See details and examples in the "Quick Guide to Completing Form 6487" at kyret.ky.gov in Employer Publications.

Section 3 and 4 - Bona Fide Promotion or Career Advancement

Follow the instructions found in these Sections.

Section 5 - Certification

The certification data field must be completed by the Agency Head or designee.



KENTUCKY PUBLIC PENSIONS AUTHORITY

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FORM 6487
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Section 1 - Member Pension Spiking Exemptions

Employer Information

Employer Name: [REDACTED]

Employer Code: [REDACTED]

Member Information

Member Name: [REDACTED]

Member ID: [REDACTED]

The retirement calculation for the member noted above has indicated that the employee experienced annual increases greater than ten percent (10%) over the employee's last five (5) fiscal years of employment. Per KRS 61.598(2), the member's final compensation "that exceeds ten percent (10%) more than the employee's creditable compensation from the immediately preceding fiscal year shall not be included in the creditable compensation used to calculate the retiring employee's monthly retirement allowance." The chart below displays the member's adjusted final compensation based on the current calculation.

Fiscal Year	Actual Comp	Comp Less Exclusions	Months	Employer Code	Increase	Spiking	Revised Comp
7/1/2024-6/30/2025	\$20,000.00	\$20,000.00	1	[REDACTED]	1254.66%	SPIKING	\$8,617.97
7/1/2023-6/30/2024	\$17,716.66	\$17,716.66	12	[REDACTED]	4.21%	NO SPIKING	N/A
7/1/2022-6/30/2023	\$17,000.40	\$17,000.40	12	[REDACTED]	-10.01%	NO SPIKING	N/A
7/1/2021-6/30/2022	\$4,722.92	\$4,722.92	3	[REDACTED]	4.42%	NO SPIKING	N/A
7/1/2020-6/30/2021	\$18,092.50 \$60.91 \$18,031.59	\$18,092.50	12	BONS [REDACTED]	13.11%	SPIKING	\$17,784.57
7/1/2019-6/30/2020	\$15,995.79 \$60.91 \$15,934.88	\$15,995.79	12	BONS [REDACTED]	0.00%	NO SPIKING	N/A

If the employer reported a bonus or an alternate sick leave payment, it is displayed in the above grid in the manner in which it has been applied to the final compensation in accordance with KRS 16.505(8); 61.510(13); 78.510(13) and 105 KAR 1:160.

KRS 61.598 and 105 KAR 1:142 provides for specific exemptions of reportable salary that are excludable when calculating the increase in creditable compensation. These exemptions are listed in the instructions for this form. Indicate whether or not exemptions are related to the salaries reported.

- No Exemptions:** The increase in creditable compensation is not attributable to an allowed exemption for this member.
- Exemptions:** The increase in creditable compensation is attributable to an allowed exemption. If this was due to an error found in the reported information, an adjustment to reported salary will be remitted through the monthly report.

If you selected "No Exemptions", skip to Section 5.
If you selected "Exemptions", continue to Section 2.

Section 2 - Exemption Amounts

Employer Information

Employer Name: [REDACTED]	Employer Code: [REDACTED]
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Member Information

Member Name: [REDACTED]	Member ID: [REDACTED]
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At the time of the increase, the employee was: (Please check one) Change/Hire Date: (list all applicable dates)

- A New Hire/Rehire A Current Employee

Member Pension Spiking Amounts

- Mark if there is an exemption that must be reported during the employer's normal monthly reporting process, these include:
- Leave without pay in the preceding year
 - Lump-sum payment for alternate sick leave or comp time at termination

List all Fiscal Years for these exemptions: _____

If corrections to those reported salaries are needed, make those adjustments in the next monthly reporting cycle.

List ONLY the total salary attributable to each exemption and the fiscal year in which it occurred in the charts below (DO NOT include total compensation):

	Fiscal Year 7/1/2019- 6/30/2020	Fiscal Year 7/1/2020- 6/30/2021	Fiscal Year 7/1/2021- 6/30/2022	Fiscal Year 7/1/2022- 6/30/2023	Fiscal Year 7/1/2023- 6/30/2024	Fiscal Year 7/1/2024- 6/30/2025
Bona fide promotion or career advancement						
Wages for overtime because of a state of emergency declared by the President of the U.S. or by the Governor of KY						
Wages for overtime because of a state of emergency declared by local government and the KY National Guard is mobilized**						
Wages attributable to overtime required as a condition for receipt of a state or federal grant, or a similar project*						
Wages attributable to the first 100 hours of mandatory overtime that is required by the employer to be worked during a fiscal year						

*If the increase was attributable to overtime hours worked under a state or federal grant, a copy of the grant will be required. Underline or highlight the specific language in the grant requiring overtime.

**If the increase was attributable to the KY National Guard mobilization, provide the applicable Executive Order number that mobilized the National Guard.

If any salary amount is listed in the Bona fide promotion or career advancement exemption chart, continue to Section 3.

If no salary amount is listed in the Bona fide promotion or career advancement exemption row, skip to Section 5.

Section 3 - Bona Fide Promotion or Career Advancement Exemption due to advancement or change in employment position pursuant to KRS 61.598(1)(a).

Is this a bona fide promotion or career advancement due to advancement or change in employment position pursuant to KRS 61.598(1)? Yes No

If you checked "Yes", complete this section and continue to Section 5.

If you checked "No", skip this section and continue to Section 4.

Respond to the following request based on the employee's job description prior to promotion or career advancement (if the employee was a new hire/rehire, provide information about the employee's prior job).

Employee's job title prior to promotion or career advancement:

Describe the employee's job duties prior to promotion or career advancement. Please attach a job description if available.

Respond to the following request based on the employee's job description after the promotion or career advancement.

Employee's job title after promotion or career advancement:

Describe the employee's job duties after promotion or career advancement. Please attach a job description if available.

Section 4 - Bona Fide Promotion or Career Advancement due to authorized increases in creditable compensation pursuant to 105 KAR 1:142 Section 4(2)(b)2.b.

Is this a bona fide promotion or career advancement due to authorized increases in creditable compensation pursuant to 105 KAR 1:142 Section 4(2)(b)2.b.?

Yes No

If you checked "Yes", complete this section and continue to Section 5.

If you checked "No", skip this section and continue to Section 5.

Describe the increase in creditable compensation for all employees in a specified class due to an increase in rate of pay authorized or funded by the legislative or administrative body of the employer or due to an increase in rate of pay mandated in a collective bargaining agreement approved by the legislative body of the employer.

You must submit a copy of the personnel form with the date of increased rate of pay, an explanation, and documentation supporting the assertion that the increase in rate of pay was authorized or funded by the legislative or administrative body of the employer or mandated in a collective bargaining agreement approved by the legislative body of the employer.

Section 5 - Certification

I hereby certify that the above information is correct and:

- Exemption details in Section 2 are accurate;
- Employment details in Section 3 and 4 accurately describes the employee's job descriptions both prior to and after promotion or career advancement;
- If the employee was a new hire/rehire, I certify that I have made a diligent effort to determine the employee's prior job description, and I certify that the employee's current job description is accurate to the best of my knowledge; and
- I understand that Kentucky Public Pensions Authority may request that I testify at an administrative hearing as to the matters described herein.

I acknowledge that I have full understanding that any person who provides a false statement, report, or representation to a governmental entity such as the Kentucky Public Pensions Authority is subject to the penalty of perjury in accordance with KRS 523.010, et seq. I further acknowledge that if I knowingly submit or cause to be submitted a false or fraudulent claim for the payment or receipt of benefits, my employer or myself personally may be liable for repayment of benefits the member was not entitled to receive, and also liable for civil payments, legal fees, and costs.

Agency Head Signature: _____

Agency Head Printed Name: _____ Date: _____