

**Kentucky Public Pensions Authority
Ad Hoc Regulation Committee – Special Meeting
June 5, 2024, at 10:00 AM EST (9:00 AM CT) Live
Video Conference/Facebook Live**

AGENDA

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|--|---|
| 1. Call to Order | Keith Peercy |
| 2. Opening Statement | Legal Services |
| 3. Roll Call | Sherry Rankin |
| 4. Public Comment | Sherry Rankin |
| 5. Approval of Minutes – March 7, 2024* | Keith Peercy |
| 6. Administrative Regulation 105 KAR 1:140* | Carrie Bass Jessica Beaubien |
| 7. Administrative Regulation 105 KAR 1:142* | Carrie Bass Jessica Beaubien |
| 8. Adjourn* | Keith Peercy |

****Committee Action May Be Taken***

**MINUTES OF MEETING
KENTUCKY PUBLIC PENSIONS
AUTHORITY
AD HOC REGULATION COMMITTEE
SPECIAL CALLED MEETING
MARCH 7, 2024 AT 10:00 AM
VIA LIVE VIDEO TELECONFERENCE**

At the Special Called Meeting of the Kentucky Public Pensions Authority Ad Hoc Regulation Committee held on March 7, 2024, the following members were present: Keith Percy (Chair), Betty Pendergrass, and Jerry Powell. Staff members present were CERS CEO Ed Owens, III, KRS CEO John Chilton, David Eager, Erin Surratt, Connie Pettyjohn, Mike Lamb, Victoria Hale, Carrie Bass, Jessica Beaubien, Ashley Gabbard, Katie Park, Shaun Case, and Sherry Rankin.

Mr. Percy called the meeting to order.

Ms. Bass read the Opening Statement.

Ms. Rankin called roll.

There being no *Public Comment* submitted, Mr. Percy introduced agenda item *Approval of Minutes – November 15, 2023 (Video 00:05:37 to 00:05:55)*. Mr. Powell made a motion to approve the minutes as presented. Ms. Pendergrass seconded the motion and the motion passed unanimously.

Mr. Percy introduced agenda item *Administrative Regulation 105 KAR 1:001 (Video 00:05:56 to 00:06:50)*.

Ms. Jessica Beaubien stated that the presented amendment to 105 KAR 1:001, Definitions for 105 KAR Chapter 1, adds eight (8) new definitions and updates two (2) previous definitions to ensure consistent use of terminology across all regulations in Title 105 of the Kentucky Administrative Regulations.

Mr. Powell made a motion to approve administrative regulation 105 KAR 1:001 as presented, and to forward it to the Authority for its approval. Ms. Pendergrass seconded the motion and the motion

passed unanimously.

Mr. Peercy introduced agenda item ***Administrative Regulation 105 KAR 1:411*** (Video 00:06:51 to 00:23:20). Ms. Beaubien presented amendments to the existing Administrative Regulation 105 KAR 1:411, Hospital and Medical Insurance for Retired Members and Kentucky Retirement Systems Insurance Fund Trust.

The amendment:

- Removes definitions from Section 1 that can be found in 105 KAR 1:001, the general definitions regulation applicable to all Kentucky Public Pensions Authority, Kentucky Retirement Systems, and County Employees Retirement System regulations.
- Updates the language throughout the regulation to be consistent with the language used in all Kentucky Public Pensions Authority regulations and the definitions found in 105 KAR 1:001.
- Adds details to Section 4 to indicate the difference between the dollar amount contribution rate and the percentage contribution rate that the systems pay toward a retired member's hospital and medical insurance plan premium based on membership date or hire date.
- Adds clarifying language to Section 5 concerning the fee that recipients may be required to pay for tobacco usage or failure to complete a wellness or wellbeing promise.
- Updates Section 13 to detail how the dollar contribution reimbursement is applied for recipients with reciprocity, as well as how the reimbursement will be applied to a recipient who is on their spouses' insurance, including in another state-administered retirement system.

Mr. Peercy requested additional information on the Dollar Contribution Reimbursement Options. Ms. Surratt and Ms. Pettyjohn provided background and an in-depth review of Reimbursement Option 1 and Reimbursement Option 2.

The KPPA Ad Hoc Regulation Committee was in favor of the Reimbursement Option 2; therefore, Ms. Bass discussed the Retroactivity of Dollar Contribution Reimbursement Calculation Method. The Committee needed to make a recommendation as to whether the change in the reimbursement calculation method will be applied retroactive to January 1, 2023, when the dollar contribution reimbursement plan became effective, advised Ms. Bass.

Ms. Pendergrass made a motion to adopt administrative regulation 105 KAR 1:411 as presented

using the Reimbursement Option 2 as outlined in the materials provided by the KPPA Office of Legal Services and that the change in policy will be retroactive to January 1, 2023. Mr. Powell seconded the motion and the motion passed unanimously.

Mr. Peercy introduced agenda item ***Administrative Regulation 105 KAR 1:190*** (Video 00:23:21 to 00:37:44). Ms. Beaubien presented an amendment to the existing regulation 105 KAR 1:190, Qualified Domestic Relations Orders (“QDROs”). This administrative regulation establishes the requirements, procedures, and forms necessary to administer QDROs, said Ms. Beaubien.

The amendment achieves the following:

- Updates the language throughout the regulation to be consistent with the language used in all Kentucky Public Pensions Authority regulations and the definitions found in 105 KAR 1:001.
- Reorganizes the sections of the regulation for clarity.
- For QDROs received by the KPPA prior to retirement, incorporates the Partial Lump Sum Payment Option (PLSO) that is now available as a payment option.
- Adds details on how multiple retirement accounts affect the administration of a QDRO.
- Adds details throughout to more accurately reflect the way QDROs are currently being administered.
- Updates all forms for clarity and to reflect the agency name change.

Mr. Powell expressed concern regarding the request of a member’s social security number on the Form 6434. Ms. Beaubien, Ms. Bass, and Ms. Surratt explained the various reasons for requesting a social security number on the form.

Ms. Pendergrass raised questions regarding the calculation for the percentage of benefit due to an alternate payee and the specific percentage is awarded by the court. She asked if the Authority is authorized to change that percentage. Ms. Bass advised that Section 3 of the regulation refers to QDROs that were on file prior to July of 2000. The Authority does not take a stance on what is/is not marital property, said Ms. Bass. The calculation does not impact QDROs that are being submitted today. Ms. Surratt reported that the language is included in the regulation because QDROs dating prior to July of 2000 still exist and have yet to be paid.

Next, Ms. Pendergrass requested clarification regarding the process should the participant pass

away as opposed to the alternate payee. Ms. Bass provided a brief timeline of law changes over the years and how the changes have affected the regulation and the procedure in the event of a member's passing.

Ms. Pendergrass requested Staff to describe what changes were being made July 1, 2024. Ms. Bass reported that the Partial Lump Sum Payment Option (PLSO) is now available and those who have not retired, the KPPA recommended changing the QDRO form to account for the fact that the member may select the PLSO.

Mr. Powell made a motion to approve regulation 105 KAR 1:190 as presented, and to forward it to the Authority for its approval. Ms. Pendergrass seconded the motion and the motion passed unanimously.

There being no further business, Mr. Percy *adjourned* the meeting.

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CERTIFICATION

I do certify that I was present at this meeting, and I have recorded the above actions of the Kentucky Public Pensions Authority Ad Hoc Regulation Committee on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in conjunction with this meeting.

Recording Secretary

We, the Chair of the Kentucky Public Pensions Authority Ad Hoc Regulation Committee and Executive Director, do certify that the Minutes of Meeting held on March 7, 2024, were approved on June 5, 2024.

KPPA Ad Hoc Regulation Committee Chair

Executive Director

I have reviewed the Minutes of the March 7, 2024, Kentucky Public Pensions Authority Ad Hoc Regulation Committee Meeting for content, form, and legality.

Executive Director, Office of Legal Services

MEMORANDUM

TO: Ad Hoc Regulation Committee (“Committee”) for the Board of the Kentucky Public Pensions Authority (“Board”)

FROM: Carrie Bass, Staff Attorney Supervisor, Non-Advocacy Division, Office of Legal Services
Jessica Beaubien, Policy Specialist, Non-Advocacy Division, Office of Legal Services

DATE: May 24, 2024

RE: Committee approval and recommendation of KPPA staff to present an amended administrative regulation, 105 KAR 1:140, Employer's Administrative Duties, to the full Board for approval to file with the Office of the Regulations Compiler at the Legislative Research Commission (“Regulations Compiler”)

Purpose of amended administrative regulation:

Kentucky Revised Statutes 61.505(1)(g) authorizes the Board to promulgate and amend administrative regulations “on behalf of the Kentucky Retirement Systems and the County Employees Retirement System, individually or collectively” as long as the regulations are consistent with the provisions of Kentucky Revised Statutes 16.505 to 16.652, 61.510 to 61.705, 78.510 to 78.852, and 61.505. 105 KAR 1:140, Employer's Administrative Duties, is consistent with these provisions of the Kentucky Revised Statutes.

This administrative regulation sets out the administrative duties and reporting requirements for all participating employers. This amendment updates the language throughout the regulation to be consistent with the language used in all Kentucky Public Pensions Authority regulations and the definitions found in 105 KAR 1:001. Details have been added regarding different groups of employers and their respective reporting requirements. This regulation was amended to include the processes and procedures being utilized by the KPPA. Lastly, several required forms have been updated and incorporated by reference.

Limitations and exclusions on increases in creditable compensation in the last five (5) years of service for retiring members has been removed from this regulation and placed into its own separate regulation 105 KAR 1:142.

Staff Recommendation:

The Office of Legal Services requests that the Committee review the attached materials and recommend presenting 105 KAR 1:140, Employer's Administrative Duties, for filing approval to the full Board at the June 27, 2024 meeting.

List of attached materials:

1. 105 KAR 1:140, Employer's Administrative Duties.

2. Form 2012, Election or Rejection of Participation for Mayors and Members of City Legislative Bodies.
3. Form 2020, Advice of Personnel Action.
4. Form 2023, Leave Without Pay Verification.
5. Form 2035, Beneficiary Designation.
6. Form 4225, Verification of Past Employment.
7. Form 6000, Notification of Retirement.
8. Form 6800, Application for Duty Related/In Line of Duty Death Benefit.
9. Form 7071, Employer Self Service Employer Administrator Account Creation Request.
10. Form 7072, Reporting/Balancing Employer Acknowledgment.
11. Form 7250, Verification of Payments Outside Regular Wages.
12. Form 7851, Data Use and Reporting Agreement.
13. Form 8030, Employer Job Description.
14. The Kentucky Public Pensions Authority Employer Reporting Manual.
15. 105 KAR 1:001, Definitions for 105 KAR Chapter 1 (for reference).

1 FINANCE AND ADMINISTRATION CABINET

2 Kentucky Public Pensions Authority

3 (Amendment)

4 105 KAR 1:140. Employer's administrative duties.

5 RELATES TO: KRS 16.505-16.652~~[16.583, 16.645(18)]~~, 18A.095, 18A.105, 61.505-
6 61.705~~[61.546, 61.552(23), 61.560, 61.565, 61.569, 61.597, 61.598, 61.637(17), 61.675,
7 61.685, 61.702], 78.510-78.852~~[78.545(33), (37), 78.616, 78.625, 78.652]~~, 26 U.S.C.
8 401(a)(17),~~[(31), 403(b);]~~ 408(a), (b),~~[414(g)(6), 457(b);]~~ 3121(b)(10),~~[Pub. L. 104-191, Pub.~~
9 ~~L. 111-5, Div. A, Title XIII, Div. B, Title IV, 26 C.F.R. 31.3121(b)(10)-2, 29 C.F.R. 519.2(a);]~~
10 41 C.F.R. Part 105-64, 42 C.F.R. 423.504(b)(4)(vi), 45 C.F.R. Parts 160, 162, 164~~

11 STATUTORY AUTHORITY: 61.505(1)(g)~~[16.645(18)]~~, 61.565~~[61.645(9)(e)]~~, 61.675,
12 ~~[78.545(33);]~~78.625, 78.635

13 NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.505(1)(g) authorizes the
14 Kentucky Public Pensions Authority~~[61.645(9)(e) requires the Board of Trustees of the~~
15 ~~Kentucky Retirement Systems]~~ to promulgate administrative regulations on behalf of the
16 Kentucky Retirement Systems and the County Employees Retirement System that are
17 consistent with~~[necessary or proper in order to carry out the provisions of]~~ KRS 16.505 to
18 16.652, 61.505, 61.510 to 61.705, and 78.510 to 78.852. Employers participating in the
19 Kentucky Employees Retirement System, County Employees Retirement System, and State
20 Police Retirement System are required by KRS 16.545, 16.645~~[(18)]~~, 61.543, 61.560, 61.565,

1 61.637, 61.675, ~~78.545(33)~~, and 61.702, 78.5536, 78.5540, 78.610, 78.615, 78.625, and
2 78.635 to make contributions to the ~~retirement~~ systems, ~~to~~ report creditable compensation
3 and other information that the systems may require to the Kentucky Public Pensions
4 Authority ~~retirement systems and other information that the Board of Trustees may require~~,
5 and perform other duties and responsibilities as participating employers. ~~[26 U.S.C.~~
6 ~~401(a)(17) places a limit on the amount of creditable compensation on which contributions~~
7 ~~may be made.]~~ This administrative regulation sets out the administrative duties and reporting
8 requirements for all participating employers ~~agencies~~.

9 Section 1. Definitions.

10 (1) “Classify” means to report an employee as full-time, part-time, seasonal, temporary,
11 emergency, probationary, volunteer, intermittent, or interim.

12 (2) “Confidential member account information” means information or data that relates
13 directly or indirectly to a member’s account at the agency that is specific or unique to the
14 member.

15 (3) “County Fee Employer” means county employers who report to the Kentucky
16 Personnel Cabinet due to the population of their county.

17 (4) “Employer Self-Service Web site” or “ESS Web site” means a secure agency Web
18 site that:

19 (a) Allows employers to access its online employer account and employee information,
20 download and submit forms, and provides other employer resources; and

21 (b) Allows some employers to perform reporting and contribution functions.

22 (5) “End of Year Report” or “EOY Report” means a school board’s list of the classified
23 participating and non-participating employees who were reported to the County Employees

1 Retirement System during the school year that is used to average monthly work hours and
2 determine service credit.

3 (6) “ESS Employer” means all employers as defined by KRS 16.505(3), 61.510(6), and
4 78.510(7), except a KHRIS Employer or a County Fee Employer.

5 (7) “Excess contributions” means employee contributions that exceed what is required
6 by statute.

7 (8) “KHRIS” means Kentucky Human Resource Information System.

8 (9) “KHRIS Employer” means employers subject to KRS Chapter 18A.

9 (10) “Non-renewable” means a position created for a fixed period of time that cannot be
10 filled, renewed, or reused after the fixed period of time has lapsed.

11 (11) “Protected health information” or “PHI” is defined by 45 CFR 160.103.

12 (12) “Personal identifiable information” or “PII” is defined by 41 CFR Part 105-64.

13 (13) “Supplemental Report” means a record-keeping tool used by County Fee
14 Employers to report additional non-monetary monthly reporting details that cannot be
15 submitted through KHRIS.

16 Section 2. Kentucky Public Pensions Authority Employer Reporting Manual. All
17 employers shall follow the requirements and guidelines provided in the Kentucky Public
18 Pensions Authority Employer Reporting Manual.

19 Section 3. ESS Web site and the agency’s Secure Email Portal.

20 (1) Each employer shall submit a valid Form 7851, Data Use and Reporting Agreement,
21 completed by the Agency Head or Agency Reporting Official prior to participating in the
22 systems.

1 (2) Each employer shall submit a valid Form 7072, Reporting/Balancing Employer
2 Acknowledgment, completed by the Agency Head or Agency Reporting Official if it needs to
3 designate a third-party entity to report employee information on behalf of the employer.

4 (3) Each employer shall have an employer administrator to grant and revoke access
5 and security levels to the employer's ESS Web site users. The employer shall submit a valid
6 Form 7071, Employer Self-Service Employer Administrator Account Creation Request, to
7 designate an employer administrator.

8 (a) The ESS Web site users designated by the employer administrator shall include a
9 primary reporting official and an agency head, and may also include human resources
10 contacts.

11 (b)1. Semi-annually, the ESS Web site shall require the primary reporting official to
12 verify contact information for the employer administrator, primary reporting official, human
13 resources contact, and the agency head.

14 2. If at any time there are changes to contact information in this paragraph or other
15 account information changes, the primary reporting official shall update the ESS Web site
16 with the new information.

17 (c) An employer is responsible for all acts and omissions of authorized ESS Web site
18 users, including the employer administrator and any ESS Web site user designated by the
19 employer administrator in accordance with paragraph (a) of this subsection.

20 (d) An employer shall ensure that the primary reporting official or any other authorized
21 user holds any password or other means for accessing the ESS Web site in a confidential
22 manner and does not release them to any other person.

1 (4) The agency shall notify employers of the Web address for the ESS Web site and
2 shall notify employers if the Web address of the ESS Web site changes.

3 (5) Employers required to submit reports through the ESS Web site as indicated in
4 Sections (3) through (4) of this administrative regulation shall follow the instructions for
5 submission as provided in the Kentucky Public Pensions Authority Employer Reporting
6 Manual. Reports shall be submitted by:~~[(1) Each employer shall submit the reports required~~
7 ~~under KRS 61.675 and KRS 78.625 electronically using the secure Kentucky Retirement~~
8 ~~Systems' Employer Self Service Web site by]:~~

9 (a) The Enter Report Details Module through a series of ESS Web site screens used to
10 enter monthly report details; or

11 (b) The Upload Detail File Module through an~~[Uploading an]~~ electronic file upload on
12 the ESS Web site.

13 1. To submit reports in the Upload Detail File Module, the employer's electronic file
14 format must first meet~~[that meets]~~ the requirements of the Strategic Technology
15 Advancements for the Retirement of Tomorrow (START) Employer Contribution Record
16 Layout as provided in the Kentucky Public Pensions Authority Employer Reporting Manual.
17 The employer shall submit a test file to the agency~~[retirement systems]~~, which shall be
18 reviewed for compliance with the requirements of the START Employer Contribution Record
19 Layout.

20 2. If the test file is in compliance with the requirements of the START Employer
21 Contribution Record Layout, the agency~~[retirement systems]~~ shall certify the electronic file
22 and inform the employer of the month when the employer may begin using the Upload Detail
23 File Module~~[electronic file]~~ for submitting reports.

1 3. If the test file is not in compliance with the requirements of the START Employer
2 Contribution Record Layout, the agency[retirement systems] shall inform the employer of the
3 needed corrections to the test file.

4 4. The employer shall not submit a report using the Upload Detail File Module[by
5 electronic file pursuant to this subsection] until the test file is certified by the
6 agency[retirement systems]. If the employer is unable to timely submit its reports in
7 accordance with KRS 61.675 and 78.625 through the Upload Detailed File Module, the
8 employer shall timely submit its reports via the Enter Report Details Module.[(2) The
9 retirement systems shall notify each employer of the Web address of the secure Kentucky
10 Retirement Systems' Employer Self Service Web site and shall notify each employer if the
11 Web address of the secure Kentucky Retirement Systems' Employer Self Service Web site
12 changes.]

13 (6)(a) An employer shall submit electronic mail containing confidential member account
14 information, PII, or PHI only through the agency's secure electronic mail portal. The Kentucky
15 Public Pensions Authority Employer Reporting Manual shall provide employers with
16 information on how to register, access, and use the secure electronic mail portal.

17 (b) An employer shall ensure that the primary reporting official or any other authorized
18 user holds any password or other means for accessing the electronic mail portal in a
19 confidential manner and does not release them to any other person.

20 Section 4. Submitting reports.

21 (1) Each employer shall submit the monthly reports required by KRS 61.675, 78.625,
22 and this administrative regulation on or before the 10th of the month following the period being
23 reported. Reports shall be submitted through:

1 (a) The ESS Web site, for ESS Employers;

2 (b) KHRIS, for County Fee Employers and KHRIS Employers; and

3 (c) An electronic file transfer in a system maintained by the Finance and Administration
4 Cabinet, for the Kentucky Personnel Cabinet.

5 (2) Each County Fee Employer shall also submit a Supplemental Report through the
6 ESS Web site.

7 (3) Each month, the agency shall provide detailed information to employers regarding
8 the employer submitted reports from the previous month. If the agency notifies the employer
9 of any errors, the employer shall resolve the errors prior to the employer's next report
10 submission.

11 Section 4. Additional reporting requirements for school boards.

12 (1) Each school board shall submit the EOY Report through the ESS Web site by the
13 end of day twenty (20) calendar days following the end of the fiscal year.

14 (2) After reviewing the EOY Report and identifying any employee who may need a
15 correction or adjustment to his or her record, the agency shall provide the school board with
16 the following applicable report(s) that the school board shall complete and submit through
17 the ESS Web site no later than the end of day November 15th of the same calendar year:

18 (a) An Exception Report, if an employee had employee contributions reported during
19 the fiscal year, but did not average eighty (80) hours per month of actual worked time in the
20 fiscal year;

21 (b) A Multiple Enrollment Report, if an employee was reported with multiple periods of
22 employment or multiple positions of employment during the fiscal year requiring an additional
23 breakdown of the total actual days worked;

1 (c) A Non-Participating Employees Report, if an employee was reported as non-
2 participating during the fiscal year and had salary reported during the school year that
3 appears to meet the definition of a regular full-time position employee; and

4 (d) An Error Listing Report, if:

5 1. An employee was included on the EOY report, but was not otherwise reported during
6 the fiscal year;

7 2. An employee was reported during the fiscal year, but was not included on the EOY
8 report; or

9 3. An employee had invalid data on the EOY report, including multiple records for the
10 same employee or employees that do not have an account established with the agency.

11 (3) A penalty of \$1000 shall be imposed on school boards who fail to submit the required
12 reports within the time periods prescribed by this section. An additional penalty of \$250 per
13 month may be imposed every month until the required reports are submitted.

14 Section 6. Full-time employee and non-participating position reporting.

15 (1) Each employer shall report:

16 (a) All employees in a regular full-time position;

17 (b) All employees in non-participating positions, except as provided in subsection 2 of
18 this section; and

19 (c) Employees whose employment ended during the report month, including the
20 employee's last day of paid employment and the reason the employment ended.

21 (2) Employers shall not report the following employees in non-participating positions:

1 (a) Student employees of public universities participating in the Kentucky Employees
2 Retirement System who are enrolled as full-time students in a course of study at the
3 university and who are:

4 1. Exempt from FICA withholding pursuant to 26 U.S.C. 3121(b)(10) and 26 C.F.R.
5 31.3121(b)(10)-2; or

6 2. Classified as full-time students throughout the fiscal year pursuant to 29 C.F.R.
7 519.2(a);

8 (b) Retired-reemployed school resource officers, sheriff's deputies, and police officers
9 that are exempt from reporting under 105 KAR 1:390; and

10 (c) City managers and appointed local government officials in a retirement system,
11 Mayors, or city legislative body members who elect not to participate in the systems by
12 completing, and the employer submitting, Form 2012, Election or Rejection of Participation
13 for Mayors and Members of City Legislative Bodies, prior to participation in the systems in
14 accordance with KRS 78.540(1).

15 (4) Employees dually employed and participating in another state-administered
16 retirement system shall also be reported to the applicable state-administered retirement
17 system in accordance with its rules and regulations.

18 Section 7. Non-Participating Positions classification.

19 (1) An employer shall not change an employee's position status for the same position
20 from full-time to seasonal, temporary, emergency, probationary, or interim.

21 (2) An employer shall not change the classification of an employee from one (1) non-
22 participating position status to another non-participating position status during a fiscal year,
23 except an employer participating in the County Employees Retirement System may classify

1 an employee as probationary pursuant to KRS 78.510(21)(d) in the same fiscal year that the
2 employer classifies the employee as seasonal, emergency, or part-time.

3 (3)(a) An employer shall classify an employee as holding a seasonal position pursuant
4 to KRS 61.510(21)(a) and 78.510(21)(a) only if the position:

5 1. Is temporary in duration;

6 2. Coincides with one (1) or more particular season(s) of the year, which may recur
7 regularly from year to year; and

8 3. Is limited to six (6) months for noncertified school board positions or nine (9) months
9 for all other positions.

10 (b)1. Except as provided in subparagraph 2. of this paragraph, if the employer classifies
11 an employee as holding a seasonal position and the employment of the employee in the
12 seasonal position is terminated after the period defined in paragraph (a)3. of this subsection,
13 there shall be a three (3) calendar month break in employment before the employee may
14 again hold a seasonal position.

15 2. If the employer is a school board that classifies an employee as holding a seasonal
16 position and the employment of the employee in the seasonal position is terminated after the
17 period defined in paragraph (a)3. of this subsection during a fiscal or calendar year, there
18 shall be a six (6) calendar month break in employment before the employee may again hold
19 the same seasonal position.

20 (4) An employer shall only classify an employee as holding an emergency position
21 pursuant to KRS 61.510(21)(b) or 78.510(21)(b) if the position:

22 1. Is created as a result of an emergency as determined by the employer for a period
23 not to exceed thirty (30) working days, and is non-renewable; or

1 2. Is created in direct relation to a state of emergency declared by the President of the
2 United States or the Governor of Kentucky.

3 (5) An employer shall only classify an employee as holding a temporary position
4 pursuant to KRS 61.510(21)(c) or 78.510(21)(c) if the position is nonrenewable and the
5 period in which the position exists does not exceed nine (9) calendar months for positions in
6 the Kentucky Employees Retirement System or twelve (12) calendar months for positions in
7 the County Employees Retirement System.

8 (6) An employer participating in the Kentucky Employees Retirement System shall only
9 classify an employee as holding an interim position pursuant to KRS 61.510(21)(e) if the
10 position is created for a one-time or recurring need that does not exceed nine (9) months.

11 (7)(a) Except as provided in paragraph (b) of this subsection, an employer shall only
12 classify an employee as holding a part-time position pursuant to KRS 61.510(21)(d) or
13 78.510(21)(e) if the position requires less than an average of one hundred (100) hours per
14 month of actual worked time in a calendar or fiscal year.

15 (b) School boards shall only classify a noncertified employee as holding a part-time
16 position pursuant to KRS 78.510(21)(e) if the position requires less than an average of eighty
17 (80) hours per month of actual worked time in a fiscal year.

18 (8)(a) An employer shall only classify an employee as holding an intermittent position if
19 the position requires a sporadic work schedule. Across a calendar or fiscal year, an
20 intermittent position employee:

21 1. May or may not earn wages every month;

22 2. May qualify as a part-time position in accordance with subsection (7) of this section
23 in some months; or

1 3. May qualify as a regular full-time position in some months.

2 (b) For non-school board employees:

3 1. If an employee's actual worked time averages less than one hundred (100) hours per
4 month in a fiscal or calendar year, the employee shall be classified as non-participating.

5 2. If an employee's actual worked time averages more than one hundred (100) hours or
6 more per month in a fiscal or calendar year, the employee shall be classified as participating.

7 (c) For school board employees:

8 1. If an employee's actual worked time averages less than eighty (80) hours per month
9 in a fiscal year, the employee shall be classified as non-participating.

10 2. If an employee's actual worked time averages more than eighty (80) hours per month
11 or more in a fiscal year, the employee shall be classified as participating.

12 (9)(a) Except as provided in paragraph (b) of this subsection, an employer shall only
13 classify an employee as holding a volunteer position if the employee meets the requirements
14 of KRS 61.510(42) or 78.510(39).

15 (b) An employer shall only classify a retired member as a volunteer if the employee
16 meets the requirements in KRS 61.510(42), 61.637(17)(e), 78.510(39), and 78.5540(4)(e)
17 and 105 KAR 1:390.

18 (10) The agency shall have the authority to determine whether any employee or retired
19 member designated as holding a non-participating position by an employer is an employee
20 in a regular full-time position.

21 (a) If the employer initially reports the employee in a non-participating position and the
22 agency subsequently determines that the employee worked or averaged the necessary
23 hours, or otherwise meets the requirements to be classified as an employee in a regular full-

1 time position, the employer and employee shall be billed for omitted service in accordance
2 with KRS 61.552(2) and 78.545, except as provided in paragraph (b) of this subsection.

3 (b) For retired reemployed members, the agency shall adjust the previously reported
4 records from non-participating to retired reemployed and the employer shall pay the employer
5 contributions and, if applicable, health insurance contributions.

6 (11)(a) Except as provided in subsections (c) and (d) of this section, hours worked and
7 creditable compensation earned by an employee working in multiple positions with one (1)
8 or more employers participating in the same system shall be combined in accordance with
9 KRS 61.680 and 78.545 only for the following positions:

10 1. Regular full-time;

11 2. Part-time;

12 3. Intermittent; or

13 4. Volunteer, if the employee has a membership date prior to August 1, 2016.

14 (b) If multiple part-time positions, intermittent positions, or volunteer positions (for
15 employees with a membership date prior to August 1, 2016) are combined under paragraph
16 (a) of this subsection and, as a result, the employee averages the required hours for a regular
17 full-time position, employer contributions and employee contributions (including any
18 applicable health insurance contributions) shall be remitted in accordance with Section 9 of
19 this administrative regulation.

20 (c) Hours worked and creditable compensation earned by an employee working in a
21 seasonal, temporary, emergency, probationary, or interim position with an employer shall not
22 be combined with any other regular full-time, part-time, intermittent, or volunteer position with
23 an employer in the same system.

1 (d) Hours worked and creditable compensation earned by an employee who retires or
2 terminates employment shall not be combined with hours worked and creditable
3 compensation later earned by the employee if the employee reemploys with a participating
4 employer during the same fiscal year.

5 Section 8. Independent Contractors and Leased Employees.

6 (1) Quasi-governmental employers as defined in 105 KAR 1:451 shall report persons
7 providing services as an independent contractor, leased employee, or other employment
8 arrangement in accordance with KRS 61.5991 and 105 KAR 1:451.

9 (2) The agency shall have the full authority to determine whether any person designated
10 as an independent contractor, leased employee, or non-employee by any employer:

11 (a) Is an employee in a regular full-time position required to participate in the systems
12 prospectively; or

13 (b) Was an employee in a regular full-time position for previous periods that were not
14 reported by the employer in accordance with KRS 16.543, 61.543, 61.675, 78.615, and
15 78.625, and this administrative regulation.

16 (3) The agency shall apply the common law factors used by the Internal Revenue
17 Service, in accordance with IRS Publication 1779, to make the determination described in
18 subsection (2) of this section. The agency may also consider rules issued by the United
19 States Department of Labor for determining whether a worker is an employee or an
20 independent contractor under federal wage and hour laws.

21 (4)(a) The agency shall provide written notification to the employer if it determines that
22 any person designated as an independent contractor, leased employee, or non-employee by
23 the employer:

1 1. Is an employee in a regular full-time position required to participate in the systems
2 prospectively; or

3 2. Was an employee in a regular full-time position for previous periods that were not
4 reported by the employer in accordance with KRS 16.543, 61.543, 61.675, 78.615, and
5 78.625, and this administrative regulation.

6 (b) A notice provided in accordance with paragraph (a)2. of this subsection shall include
7 a Form 4225, Verification of Past Employment. The employer shall complete and submit the
8 Form 4225 by the end of day thirty (30) calendar days from the date the notice was provided.

9 (5)(a) An employer shall remit all reports, records, contributions, and reimbursements
10 for a person as an employee in a regular full-time position in accordance with KRS 61.675,
11 KRS 78.625, and this administrative regulation effective the first day of the calendar month
12 after the date the notification described in subsection (4)(a) of this section is provided.

13 (b) Once a Form 4225, Verification of Past Employment, is received, the agency shall
14 notify the employer of the delinquent omitted employer contributions owed.

15 1. An employer shall remit the delinquent omitted employer contributions in accordance
16 with KRS 61.552(2), 61.675(3)(b), 78.545, and 78.625(3) no later than the end of day on the
17 last day of the calendar month following the month the notice is provided.

18 2. If an employer needs an extension or payment schedule for the delinquent omitted
19 employer contributions owed, it shall contact the agency to request the extension or payment
20 schedule for the delinquent omitted employer contributions owed.

21 Section 9. Employer, employee, and health insurance contributions.

22 (1)(a)[(3)] Each employer shall remit[submit] the employer and employee contributions,
23 and the employer contributions and reimbursements for retiree health insurance premiums

1 as required by KRS 61.675 and 78.625 no later than the end of day on the 10th calendar day
2 of the month following the month being reported.

3 (b) Employers shall not remit employer or employee contributions for employees in a
4 non-participating position unless required to do so pursuant to KRS 61.680(6) and 78.545.

5 (2) Required contributions as indicated in subsection (1) of this section shall be remitted:

6 (a) By ESS Employers:

7 1. Through~~[Electronically using]~~ the agency's secure ESS~~[Kentucky Retirement~~
8 Systems' Employer Self Service] Web site;

9 2. By mailing or hand delivering a check;~~[(c) By the eMARS system maintained by the~~
10 Finance and Administration Cabinet;] or

11 3.~~[(d)]~~ By wire transfer; and

12 (b) By KHRIS Employers and County Fee Employers through a payment system
13 maintained by the Finance and Administration Cabinet.

14 (3)(a) Except as provided in subsection (b) of this section, if an employer fails to withhold
15 from an employee's creditable compensation the full amount of contributions due from the
16 employee in accordance with KRS 16.583, 61.543, 61.560, 61.597, 61.702, 78.5512,
17 78.5516, 78.5536, 78.610, or 78.615:

18 1. The agency shall notify the employer of the additional amount of employee
19 contributions due from the employee;

20 2. The employer shall withhold the additional contributions due from the employee in
21 accordance with KRS 16.545, 16.583, 61.543, 61.560, 61.597, 61.702, 78.5512, 78.5516,
22 78.5536, 78.610, or 78.615 from his or her creditable compensation and remit the additional
23 contributions to the agency; and

1 (b)1. If the employee is no longer employed by the employer, the employer shall notify
2 the agency and the agency shall refund the incomplete employee contributions submitted by
3 the employer on behalf of the employee to the employer, and the employer shall withhold the
4 applicable taxes from the contributions and remit the remaining money to the employee.

5 2. If the contributions are refunded in accordance with this paragraph, then the agency
6 shall provide the employee with:

7 a. Any interest credited on the incomplete employee contributions in accordance with
8 KRS 61.575 or 78.640; and

9 b. Notification explaining the potential impact to his or her service credit and an invoice
10 for omitted service in accordance with KRS 61.552(2) and 78.545. If the omitted service
11 invoice is not paid, the employee may lose service credit for the month(s).

12 Section 10. Creditable Compensation.

13 (1)[(4)] The employer shall report all creditable compensation paid during a month no
14 later than the end of day on[by] the 10th calendar[~~tenth~~] day of the[~~following~~] month following
15 the month being reported.

16 (2)(a) If creditable compensation is being reported for a month other than the reporting
17 month, the[~~The~~] employer shall designate the month to which the creditable compensation
18 shall[~~should~~] be applied[if it is not the month for which the employer is reporting and if the].

19 (b) The report may need to reflect a month other than the reporting month if the
20 creditable compensation[~~was~~] earned is from the month in which the employee:

21 1. Became employed;

22 2. Became eligible to participate in[~~one of~~] the systems[~~administered by Kentucky~~
23 ~~Retirement Systems~~];

1 3. Was transferred from a~~[to hazardous coverage from]~~ nonhazardous position to a
2 hazardous position~~[participation]~~;

3 4. Was transferred from a hazardous position~~[coverage]~~ to a nonhazardous
4 position~~[participation]~~;

5 5. Terminated from employment; or

6 6. Became ineligible to participate in~~[one of]~~ the systems~~[administered by Kentucky~~
7 ~~Retirement Systems]~~.

8 (3)(a)1. The employer shall submit a valid Form 7250, Verification of Payments Outside
9 Regular Wages, prior to payment for creditable compensation paid as~~[(b) If the employee is~~
10 ~~paid creditable compensation in]~~ a lump sum~~[or]~~ nonrecurring payment, or other payment
11 outside of regular wages, and~~[the employer]~~ shall designate the reason for the lump sum~~[or]~~
12 nonrecurring payment, or other payment outside of regular wages.

13 2.[4-] If the lump sum~~[or]~~ nonrecurring payment, or other payment outside of regular
14 wages is for~~[was earned during]~~ a specific time period, the employer shall designate the time
15 period during which the lump sum~~[or]~~ nonrecurring payment, or other payment outside of
16 regular wages was or will be earned.

17 (b)1. The agency shall review the Form 7250 and notify the employer of its findings. If
18 the agency determines the wages are creditable compensation, the agency shall also
19 indicate how the wages shall be reported.

20 2. If the employer fails to designate a specific time period during which the lump sum~~[or]~~
21 nonrecurring payment, or other payment outside of regular wages was or will be earned in
22 accordance with paragraph (a)2. of this subsection, the payment shall be considered a lump
23 sum bonus pursuant to KRS 16.505(8), 61.510(13), or 78.510(13).

1 (4) Workers' compensation payments shall not be included in creditable
2 compensation. ~~(5) The provisions of subsection (1) of this section shall not apply to the~~
3 ~~Kentucky Personnel Cabinet or agencies that are reported by the Kentucky Personnel~~
4 ~~Cabinet.~~

5 ~~(6) Each employer shall report employees who are regular full-time employees as~~
6 ~~defined by KRS 61.510(21) and 78.510(21) and shall remit employer and employee~~
7 ~~contributions for those employees.~~

8 ~~(7) If an employer fails to withhold from an employee's creditable compensation the~~
9 ~~full amount of contributions due from the employee in accordance with KRS 16.583, 61.560,~~
10 ~~61.597, or 61.702:~~

11 ~~(a) The retirement systems shall notify the employer of the additional amount of~~
12 ~~employee contributions due from the employee;~~

13 ~~(b) The employer shall withhold the additional contributions due from the employee in~~
14 ~~accordance with KRS 16.583, 61.560, 61.697, or 61.702 from the employee's creditable~~
15 ~~compensation and remit the additional contributions to the retirement systems;~~

16 ~~(c) If the employee is no longer employed by the employer, the employer shall notify~~
17 ~~the retirement systems and the retirement systems shall refund the contributions submitted~~
18 ~~by the employer on behalf of the employee to the employer, which shall withhold the~~
19 ~~applicable taxes from the contributions and remit the remaining money to the employee;~~
20 ~~and~~

21 ~~(d) If the contributions are refunded in accordance with paragraph (c) of this~~
22 ~~subsection, then that service credit shall be omitted service in accordance with KRS~~
23 ~~61.552(23).~~

1 ~~(8) Each employer shall report employees who are not regular full-time employees as~~
2 ~~defined by KRS 61.510(21) and 78.510(21), but shall not remit employer or employee~~
3 ~~contributions for those employees unless required to do so pursuant to KRS 61.680(6),~~
4 ~~except:~~

5 ~~(a) Student employees of public universities participating in the Kentucky Employees~~
6 ~~Retirement System who are enrolled as full-time students in a course of study at the~~
7 ~~university and who are exempt from FICA withholding pursuant to 26 U.S.C. 3121(b)(10)~~
8 ~~and 26 C.F.R. 31.3121(b)(10)-2; and~~

9 ~~(b) Student employees of public universities participating in the Kentucky Employees~~
10 ~~Retirement System who are enrolled as full-time students in a course of study at the~~
11 ~~university and are classified as full-time students throughout the fiscal year pursuant to 29~~
12 ~~C.F.R. 519.2(a).~~

13 ~~(9)(a) An employer participating in Kentucky Employees Retirement System or County~~
14 ~~Employees Retirement System shall not classify an employee in more than one (1) non-~~
15 ~~participating position status during the fiscal year, except an employer participating in the~~
16 ~~County Employees Retirement System may classify an employee as probationary pursuant~~
17 ~~to KRS 78.510(21)(d) in the same fiscal year that the employer classifies the employee as~~
18 ~~seasonal, emergency, or part-time.~~

19 ~~(b) An employer participating in the Kentucky Employees Retirement System or the~~
20 ~~County Employees Retirement System shall not change an employee's position status from~~
21 ~~full-time to seasonal, temporary, or interim in the same fiscal year.~~

22 ~~(c) An employer shall not classify an employee as a seasonal employee pursuant to~~
23 ~~KRS 61.510(21)(a) or 78.510(21)(a) unless the duties of the job can only be performed~~

1 ~~during a defined time period during a fiscal or calendar year. If the employer classifies an~~
2 ~~employee as seasonal and the employee is terminated after the defined time period during~~
3 ~~a fiscal or calendar year, there shall be a three (3) calendar month break in employment~~
4 ~~before the employer may again classify the employee as a seasonal employee, except for~~
5 ~~employers that are school boards. If an employer that is a school board classifies an~~
6 ~~employee as seasonal and the employee is terminated after the defined time period during~~
7 ~~a fiscal or calendar year, there shall be a six (6) calendar month break in employment before~~
8 ~~the employer may again classify the employee as a seasonal employee.~~

9 ~~(d) If an employer violates the provisions of this subsection, the retirement systems~~
10 ~~shall determine if the employee worked or averaged the necessary hours to be in a regular~~
11 ~~full-time position as provided in KRS 61.510(21) or 78.510(21). If the employee worked or~~
12 ~~averaged the necessary hours to be in a regular full-time position as defined by KRS~~
13 ~~78.510(21), the service credit shall be omitted service in accordance with KRS 61.552(23).~~

14 ~~Section 2. (1) Each employer shall submit electronic mail to the retirement systems by~~
15 ~~logging on to the Kentucky Retirement Systems' secure electronic mail server.~~

16 ~~(2)(a) If an employer submits personal information about its employees to the~~
17 ~~retirement systems in an unsecure electronic format or submits personal information~~
18 ~~regarding its employees intended to be submitted to the retirement systems to another~~
19 ~~person or entity by hand delivery, mail, fax, or in an electronic format; the employer shall~~
20 ~~notify affected employees in writing of the disclosure of personal information and provide~~
21 ~~information regarding obtaining credit reports.~~

22 ~~(b) Personal information includes the member's first name or first initial and last name~~
23 ~~in combination with the member's:~~

1 ~~1. Social Security number;~~

2 ~~2. Driver's license number;~~

3 ~~3. Personal Identification Number permitting access to the member's account; or~~

4 ~~4. Medical Information.~~

5 ~~(c) The retirement systems shall notify the employer of a disclosure upon discovery.~~

6 ~~(d) The employer shall notify the retirement systems of a disclosure upon discovery.~~

7 ~~(e) The employer shall submit a draft of the written notification to be made to affected~~
8 ~~employees to the retirement systems for approval or denial.~~

9 ~~(f) The employer shall submit copies of the written notifications made to affected~~
10 ~~employees to the retirement systems after the notifications have been made.~~

11 ~~(g) If the retirement systems is required by federal or state law to provide notification~~
12 ~~to affected members about the employer's disclosure of personal information or if the~~
13 ~~retirement systems determines that it should provide the notification to its affected members~~
14 ~~because of the nature or magnitude of the employer's disclosure, the employer shall~~
15 ~~reimburse the retirement systems for its costs in notifying members affected by the~~
16 ~~employer's disclosure.~~

17 ~~(h) In transmitting any medically related personal information, the employer shall~~
18 ~~comply with all statutes and regulations comprising the Health Insurance Portability and~~
19 ~~Accountability Act of 1996 "HIPAA", Pub.L. 104-191 and the Health Information Technology~~
20 ~~for Economic and Clinical Health Act "HITECH", Pub.L. 111-5.~~

21 ~~(i) Each employer shall execute a data use agreement with retirement systems.~~

1 ~~Section 3. (1)(a) The retirement systems shall submit an invoice to employers for any~~
2 ~~payments owed to the retirement systems, which were not paid through the normal monthly~~
3 ~~reports.~~

4 ~~(b) The employer shall remit payment to the retirement systems by the due date~~
5 ~~provided on the invoice.~~

6 ~~(2) The retirement systems may offset funds owed by the employer to the retirement~~
7 ~~systems with funds owed to the employer by the retirement systems.~~

8 ~~Section 4.~~

9 ~~(1) An employer shall pay interest at the rate adopted by the board for any creditable~~
10 ~~compensation paid as a result of an order of a court of competent jurisdiction, the Personnel~~
11 ~~Board, or the Human Rights Commission or for any creditable compensation paid in~~
12 ~~anticipation or settlement of an action before a court of competent jurisdiction, the Personnel~~
13 ~~Board, or the Human Rights Commission including notices of violations of state or federal~~
14 ~~wage and hour statutes or violations of state or federal discrimination statutes.~~

15 ~~(2) The interest shall be assessed from the time period for which the creditable~~
16 ~~compensation has been reinstated.~~

17 ~~Section 5. If an employer refuses to provide the retirement systems access to records~~
18 ~~or information requested in accordance with KRS 61.685 or does not respond to a request~~
19 ~~for information or records by the retirement systems, the retirement systems may, if~~
20 ~~appropriate, hold all payments of:~~

21 ~~(1) Any funds due to the employer; or~~

1 ~~(2) Refunds or initial retirement allowances to any employee or former employee of the~~
2 ~~employer whose refund or retirement may be affected by the records or information~~
3 ~~requested by the retirement system.]~~

4 Section 11.[Section 6.] Maximum limits to creditable compensation.

5 (1) The agency shall provide the maximum annual compensation limit to employers.

6 (2) Effective only for the 1996 fiscal year, in determining the compensation of an
7 employee eligible for consideration under this provision, the rules of 26 U.S.C. 414(g)(6) shall
8 apply, except that in applying these rules, the term "family" shall include only the spouse of
9 the employee and any lineal descendants of the employee who have not attained age
10 nineteen (19) before the close of the fiscal year.

11 (3) Effective July 1, 1996, and before July 1, 2002, the creditable compensation on
12 which contributions are reported shall not exceed the maximum annual compensation limit
13 contained in 26 U.S.C. 401(a)(17), \$150,000, as adjusted for cost-of-living increases under
14 26 U.S.C. 401(a)(17)(B).[The retirement system shall notify employers of the maximum
15 annual compensation limit.] Each employer shall report contributions on all creditable
16 compensation up to the maximum annual limit. Once an employee's creditable compensation
17 has reached the maximum annual limit, the employer shall continue to report the amount of
18 the employee's creditable compensation in accordance with Section 10 of this administrative
19 regulation, but shall not remit[report] any further employer or employee contributions on the
20 employee's creditable compensation.[If excess contributions are erroneously reported, the
21 retirement system shall refund the excess contributions to the employer for distribution to the
22 employee after making payroll deductions in accordance with federal and state law. (2)
23 Effective only for the 1996 plan year, in determining the compensation of an employee eligible

1 for consideration under this provision, the rules of 26 U.S.C. 414(g)(6) shall apply, except
 2 that in applying these rules, the term "family" shall include only the spouse of the member
 3 and any lineal descendants of the employee who have not attained age nineteen (19) before
 4 the close of the year.]

5 ~~(4)(3)~~ Effective with respect to ~~fiscal[plan]~~ years beginning on and after July 1, 2002,
 6 ~~an~~ employee's[~~a plan member's~~] annual compensation that exceeds \$200,000, ~~[{]~~ as adjusted
 7 for cost-of-living increases in accordance with 26 U.S.C. 401(a)(17)(B), ~~[}]~~ shall not be taken
 8 into account in determining benefits or contributions due for any ~~fiscal[plan]~~ year.

9 (a) Annual compensation shall include compensation during the ~~fiscal[plan]~~ year or any
 10 other consecutive twelve (12) calendar month period over which compensation is otherwise
 11 determined under the plan (the determination period).

12 (b) If the determination period consists of fewer than twelve (12) months, the annual
 13 compensation limit shall be prorated based on the following table:

$$\begin{array}{rcccl}
 & \text{The otherwise applicable} & & \text{Number of months in the} & & \text{The annual} \\
 & \text{annual compensation limit} & \times & \text{short determination period} & = & \text{compensation} \\
 & & & \underline{12} & & \underline{\text{limit}}
 \end{array}$$

14
 15 (c) If the compensation for any prior determination period is taken into account in
 16 determining a plan member's contributions or benefits for the current plan year, the
 17 compensation for this prior determination period shall be subject to the applicable annual
 18 compensation limit in effect for that prior period.

19 (d) The cost-of-living adjustment in effect for a calendar year shall apply to annual
 20 compensation for the determination period that begins with or within the calendar year. ~~[If the~~
 21 ~~determination period consists of fewer than twelve (12) months, the annual compensation~~
 22 ~~limit shall be an amount equal to the otherwise applicable annual compensation limit~~

1 multiplied by a fraction, the numerator of which is the number of months in the short
2 determination period, and the denominator of which is twelve (12). If the compensation for
3 any prior determination period is taken into account in determining a plan member's
4 contributions or benefits for the current plan year, the compensation for this prior
5 determination period shall be subject to the applicable annual compensation limit in effect for
6 that prior period.]

7 (5)(a) Creditable[(4) A participating member may pay contributions for the creditable]
8 compensation over the maximum annual compensation limit may be considered for the years
9 used to determine the employee's[member's] final compensation for purposes of retirement
10 if:

11 1.[(a)] The employee's[member's] creditable compensation has exceeded the maximum
12 annual compensation limit contained in 26 U.S.C. 401(a)(17) in years prior to the fiscal year
13 beginning July 1, 2002;

14 2.[(b)] The employee[member] has filed a notification of retirement;[and]

15 3.[(c)] The excess creditable compensation is within the maximum annual
16 compensation limit applicable in 2002-2003; and

17 4. The employee has remitted payment of employee contributions on the excess
18 creditable compensation at the rate proscribed by KRS 61.560, 61.702, 78.5536, and 78.610.

19 (b) Upon[upon] receipt of employee contributions, the agency[retirement systems] shall
20 bill the employer for the employer contributions on the excess creditable compensation in
21 accordance with KRS 61.565 and 78.635, and the employer shall remit the employer
22 contributions to the agency[retirement systems].

1 (c) The[the] excess creditable compensation shall only be included in retirement
2 calculations if both the employee and employer have paid their respective contributions.

3 Section 12. Creditable Compensation paid as a result of an order of a court, the
4 Personnel Board, or the Kentucky Commission on Human Rights.

5 (1) The employer or employee may submit the following for review of potential effects
6 to the employee's account and compliance with KRS 16.505-16.592, 61.510-61.705, and
7 78.510-78.852 prior to the entry of the agreement or order:

8 (a) A proposed settlement agreement or draft order related to the resolution of a case
9 pending before the Personnel Board, the Kentucky Commission on Human Rights, or a court
10 of competent jurisdiction regarding employment disputes that may affect an employee's
11 service with the systems; or

12 (b) An order of reinstatement of an employee pursuant to KRS 61.569 and 78.545.

13 (2) For creditable compensation paid as a result of an order by the Personnel Board
14 under the authority of KRS 18A.095, by a court of competent jurisdiction, or by the Kentucky
15 Commission on Human Rights:

16 (a) The creditable compensation shall be reported in accordance with Section 10 of this
17 administrative regulation and shall be credited to the fiscal year during which the wages were
18 earned or should have been paid by the employer;

19 (b) The employer shall pick-up the employee contributions as required by KRS 61.543,
20 61.560, 61.702, 78.5536, 78.610, and 78.615 for the designated period;

21 (c) The employer shall remit employer contributions as required by KRS 61.565 and
22 78.635 for the designated period; and

1 (d) The employer shall pay interest at the rate adopted by the Kentucky Retirement
2 Systems or the County Employees Retirement System on the creditable compensation.

3 (3) The interest owed pursuant to subsection (2)(d) of this section shall be assessed
4 beginning the first day the designated period began or begins.

5 Section 13. Excess contributions.

6 (1)(a) Upon discovery that excess contributions have erroneously been remitted, the
7 agency shall correct its record in compliance with KRS 61.685 and 78.545 by refunding the
8 excess contributions, except as provided in paragraph (c) of this subsection.

9 (b) The employer shall withhold the applicable taxes from the employee contributions
10 and remit the remaining money to the employee.

11 (c) The agency may withhold excess employer contributions to offset a payment owed
12 to the systems.

13 (d) The agency shall provide the employee with any interest credited on the excess
14 employee contributions in accordance with KRS 61.575 or 78.640.

15 (2) If an employee uses paid sick leave while awaiting workers' compensation and
16 subsequently receives workers' compensation payments for the hours during which paid sick
17 leave was previously reported, the employee contributions on the paid sick leave that have
18 been reported to the agency shall be refunded, unless the employee has remitted the
19 workers' compensation payments to the employer in exchange for the use of his or her paid
20 sick leave.

21 Section 14. Death or disability of a participating employee.

22 (1)(a) Employers shall report the death of a participating employee through the ESS
23 Web site. Employers may notify the agency of the death of a previous employee.

1 (b) Upon the employer's report of the death of an employee or retired member, the
2 agency shall begin the process of determining death benefits as provided in KRS 16.601,
3 61.621, 61.630, 61.640, 61.703, 61.705, 78.545, 78.5532, 78.5534, and 78.5538.

4 (c) In the event of a death that is due to an act in line of duty or is duty-related, the
5 employer shall add a comment to the death notice indicating this and shall complete and
6 submit a valid Form 6800, Application for Duty Related/In Line of Duty Death Benefits. The
7 employer shall also provide to the deceased employee's beneficiary or representative of the
8 deceased employees' estate or trust, or submit to the agency:

9 1. The employer death investigation report;

10 2. A detailed position description or a valid Form 8030, Employer Job Description;

11 3. Certification or documentation of the employee's last day of paid employment; and

12 4. Any additional information requested by the agency or a third-party vendor on its
13 behalf.

14 (2) In the event of an employee's claim for disability retirement benefits, the employer
15 shall comply with the provisions of KRS 16.582, 61.600, 61.621, 61.665, 78.545, 78.5522,
16 78.5524, and 105 KAR 1:210, 105 KAR 1:310, and 105 KAR 1:455, and submit to the agency:

17 (a) A valid Form 8030, Employer Job Description and, if the employee was injured on
18 the job, a copy of the incident report;

19 (b) Certification or documentation of the employee's last day of paid employment;

20 (c) Information regarding the employee's request for reasonable accommodations as
21 required by KRS 61.665(2)(a), 61.665(2)(b), and 78.545; and

22 (d) Any additional information regarding the employee's job duties and reasonable
23 accommodations upon request by the agency or a third-party vendor on its behalf.

1 Section 15. Retirement and other reporting requirements for participating employers.

2 (1)(a) The Form 6000, Notification of Retirement, Section H shall be completed by the
3 employer when an employee files for retirement in accordance with KRS 16.582, 61.600,
4 61.590, 78.545, 78.5522, and 78.5524. The employer shall certify the employee's leave
5 balances and final salary, including any anticipated salary through the employee's
6 termination date yet to be reported to the agency.

7 (b) The employer shall complete and provide the valid Form 6000, Section H, signed by
8 the designated Agency Reporting Official, to the employee or through ESS.

9 (2) The employer shall submit personnel actions prior to September 15, 2011 on a valid
10 Form 2020, Advice of Personnel Action.

11 (3) Each employer shall complete and file a valid Form 2023, Leave Without Pay
12 Verification, when an employee begins and ends a period of leave without pay.

13 (4) If at any time the employee provides a Form 2035, Beneficiary Designation, to his
14 or her employer, the employer shall forward the Form 2035 to the agency immediately upon
15 receipt.

16 (5) If either of the following forms are provided to the employer, it shall submit the
17 completed applicable form by the end of day thirty (30) calendar days from the date the form
18 was provided:

19 a) A Form 6487, Request for Member Pension Spiking Exemption Amounts in
20 accordance with 105 KAR 1:142 Section 4; or

21 (b) A Form 6481, Employer Request for Post-Determination of Bona Fide Promotion or
22 Career Advancement, in accordance with 105 KAR 1:142 Section 3.

1 (6) If the agency is notified or becomes aware of past employment for which a member
2 did not receive service credit, the agency shall provide the employer with a Form 4225,
3 Verification of Past Employment, to certify dates, hours, wages, and the position classification
4 for the past employment. The employer shall complete and submit the valid Form 4225 by
5 the end of day thirty (30) calendar days from the date the Form 4225 was provided.

6 (7) An employer shall submit any additional information requested by the agency,
7 including a position description or any other documentation deemed necessary by the agency
8 to ensure employer compliance with KRS16.505 to 16.652, 61.510 to 61.705, and 78.510 to
9 78.852.

10 Section 16. Felony charges related to employment. Employers shall notify the agency
11 when an employee hired on or after August 1, 2000, is convicted of a felony related to his or
12 her employment.

13 Section 17. Employer cooperation with the agency.

14 (1) If an ESS Employer or County Fee Employer refuses to provide the agency access
15 to records or information requested in accordance with KRS 61.685 and 78.545, or does not
16 respond to a request for information or records by the agency, the agency may, if appropriate,
17 hold payments of:

18 (a) Any funds due to the employer; or

19 (b) Refunds or initial retirement allowances to an employee or former employee of the
20 employer whose refund or retirement may be affected by the records or information
21 requested by the agency.

1 (2) The agency may conduct an audit of the employer in accordance with KRS 61.675(2)
2 and 78.625(5) to determine compliance with the provisions of KRS 16.505-16.652, 61.610-
3 61.705, or 78.510-78.852.

4 ~~[Section 7. (1) For members retiring on or after January 1, 2014, but prior to July 1,~~
5 ~~2017, the retirement systems shall determine if annual increases in a member's creditable~~
6 ~~compensation greater than ten (10) percent occurred over the member's last five (5) fiscal~~
7 ~~years of employment.~~

8 ~~(a) For each of the member's last five (5) fiscal years of employment, the retirement~~
9 ~~systems shall multiply the member's creditable compensation for the previous fiscal year by~~
10 ~~110 percent. If the member's creditable compensation in any of his or her last five (5) fiscal~~
11 ~~years of employment is greater than the member's creditable compensation from the~~
12 ~~previous fiscal year multiplied by 110 percent, the retirement systems shall determine that~~
13 ~~an annual increase in the member's creditable compensation greater than ten (10) percent~~
14 ~~has occurred.~~

15 ~~(b) For purposes of performing the calculations in paragraph (a) of this subsection, the~~
16 ~~member's creditable compensation shall be annualized by dividing the member's creditable~~
17 ~~compensation for the fiscal year by the number of months of service credit, and multiplying~~
18 ~~by twelve (12).~~

19 ~~(2) If the retirement systems determine that the member received annual increases in~~
20 ~~creditable compensation greater than ten (10) percent over his or her last five (5) fiscal years~~
21 ~~of employment, the retirement systems shall send written notice to the member's last~~
22 ~~participating employer of the retirement systems' determination that the member has~~
23 ~~experienced annual increases in creditable compensation greater than ten (10) percent over~~

1 ~~the member's last five (5) fiscal years of employment, and the amount of the additional~~
2 ~~actuarial cost to the retirement systems attributable to the increases.~~

3 ~~(3) If the employer believes that the annual increases in creditable compensation~~
4 ~~greater than ten (10) percent over the member's last five (5) fiscal years of employment was~~
5 ~~due to a bona fide promotion or career advancement, the employer shall file a Form 6481,~~
6 ~~Employer Request for Post-Determination of Bona Fide Promotion or Career Advancement,~~
7 ~~for a determination that the annual increases in creditable compensation greater than ten~~
8 ~~(10) percent over the member's last five (5) fiscal years of employment were due to a bona~~
9 ~~fide promotion or career advancement. The Form 6481 shall be filed within sixty (60) days of~~
10 ~~the date on the notice. If the retirement systems had previously provided a determination that~~
11 ~~a change in position or hiring of the member would be a bona fide promotion or career~~
12 ~~advancement, the employer shall submit the determination and provide documentation that~~
13 ~~the increase in creditable compensation for that fiscal year was due to the employer~~
14 ~~implementing the proposed change in position or hiring.~~

15 ~~(4) The employer shall provide any additional information requested by the retirement~~
16 ~~systems.~~

17 ~~(5) The retirement systems may require the employer to make certifications regarding~~
18 ~~the information and documentation submitted.~~

19 ~~(6) In determining if a change in position or hiring was a bona fide promotion or career~~
20 ~~advancement, the retirement systems shall consider the factors listed in KRS 61.598(1)(a).~~

21 ~~(7) The retirement systems shall issue a final administrative decision in writing informing~~
22 ~~the employer whether the annual increases in creditable compensation greater than ten (10)~~

1 ~~percent over the member's last five (5) fiscal years of employment were due to a bona fide~~
2 ~~promotion or career advancement.~~

3 ~~(8) If the employer fails to submit a Form 6481, Employer Request for Post-~~
4 ~~Determination of Bona Fide Promotion or Career Advancement, within sixty (60) days of the~~
5 ~~date on the notice, the employer shall pay the additional actuarial cost to the retirement~~
6 ~~systems attributable to annual increases in creditable compensation greater than ten (10)~~
7 ~~percent over the member's last five (5) fiscal years of employment.~~

8 ~~(9) If the employer disagrees with the final administrative decision by the retirement~~
9 ~~systems, the employer shall file a written request for an administrative hearing pursuant to~~
10 ~~KRS Chapter 13B within thirty (30) days of the date on the final administrative decision. The~~
11 ~~hearing shall be limited to the issue of whether the retirement systems correctly determined~~
12 ~~that the annual increases in the member's creditable compensation greater than ten (10)~~
13 ~~percent were not due to a bona fide promotion or career advancement.~~

14 ~~(10) If the employer fails to file a written request for administrative hearing within thirty~~
15 ~~(30) days of the date on the final administrative decision, the employer shall pay the additional~~
16 ~~actuarial cost to the retirement systems attributable to annual increases in creditable~~
17 ~~compensation greater than ten (10) percent over the member's last five (5) fiscal years of~~
18 ~~employment.~~

19 ~~(11) The retirement systems shall issue an invoice to the last participating employer~~
20 ~~representing the actuarial cost to the retirement systems attributable to annual increases in~~
21 ~~creditable compensation greater than ten (10) percent over the member's last five (5) fiscal~~
22 ~~years of employment. The employer may request that the retirement systems allow the~~

1 ~~employer to pay the cost over a period, not to exceed one (1) year, without interest and the~~
2 ~~retirement systems shall establish a payment plan for the employer.~~

3 ~~(12) If the member was employed by more than one (1) participating employer when~~
4 ~~the member retired, the actuarial cost to the retirement systems attributable to annual~~
5 ~~increases in creditable compensation greater than ten (10) percent over the member's last~~
6 ~~five (5) fiscal years of employment shall be divided equally among the member's last~~
7 ~~participating employers.~~

8 ~~(13) An employer who is required to pay the additional actuarial cost pursuant to KRS~~
9 ~~61.598 shall be treated as a participating employer in the system to which the employer is~~
10 ~~required to pay the additional actuarial cost solely for purposes of making the payment~~
11 ~~required pursuant to KRS 61.598.~~

12 ~~Section 8. (1) For members retiring on or after January 1, 2018, the retirement systems~~
13 ~~shall determine if annual increases in a member's creditable compensation greater than ten~~
14 ~~(10) percent occurred over the member's last five (5) fiscal years of employment.~~

15 ~~(a) For each of the member's last five (5) fiscal years of employment, the retirement~~
16 ~~systems shall multiply the member's creditable compensation for the previous fiscal year by~~
17 ~~110 percent. If the member's creditable compensation in any of his or her last five (5) fiscal~~
18 ~~years of employment is greater than the member's creditable compensation from the~~
19 ~~previous fiscal year multiplied by 110 percent, the retirement systems shall determine that~~
20 ~~an annual increase in the member's creditable compensation greater than ten (10) percent~~
21 ~~has occurred.~~

1 ~~(b) The fiscal year immediately preceding the member's last five (5) fiscal years shall~~
2 ~~be used for comparison to determine if an increase in creditable compensation greater than~~
3 ~~ten (10) percent occurred in the initial fiscal year of the member's last five (5) fiscal years.~~

4 ~~(c) For purposes of performing the calculations in paragraph (a) of this subsection, the~~
5 ~~member's creditable compensation shall be annualized by dividing the member's creditable~~
6 ~~compensation for the fiscal year by the number of months of service credit, and multiplying~~
7 ~~by twelve (12).~~

8 ~~(2) The member shall receive a refund of all pre-tax and post-tax member contributions~~
9 ~~and interest directly attributable to the reduction in creditable compensation.~~

10 ~~(a) Pre-tax member contributions shall be refunded to the member by the employer who~~
11 ~~picked up the contributions.~~

12 ~~(b) Post-tax member contributions shall be refunded to the member directly from the~~
13 ~~retirement systems.~~

14 ~~(c) Interest earned on pre-tax and post-tax member contributions shall be refunded to~~
15 ~~the member directly from the retirement systems.~~

16 ~~Section 9. (1) If the retirement systems determine that the member received annual~~
17 ~~increases in creditable compensation greater than ten (10) percent over the member's last~~
18 ~~five (5) fiscal years of employment, the retirement systems shall send the member's employer~~
19 ~~the Form 6487, Request for Member Pension Spiking Exemption Amounts.~~

20 ~~(a) Pursuant to KRS 16.645, 61.675, and 78.545, the employer shall furnish the~~
21 ~~information required by the retirement systems in the discharge of its duties. The employer~~
22 ~~shall complete the Form 6487 in its entirety and provide supporting documentation.~~

1 ~~(b) The employer shall submit a completed Form 6487 at the retirement office within~~
2 ~~sixty (60) days from the date the Form 6487 was mailed. If the employer fails to submit a~~
3 ~~completed Form 6487 within that sixty (60) day time period, Kentucky Retirement Systems~~
4 ~~shall issue a final administrative decision and provide adjustment correspondence to the~~
5 ~~member.~~

6 ~~(2) If the employer believes that the annual increases in creditable compensation~~
7 ~~greater than ten (10) percent over the member's last five (5) fiscal years of employment was~~
8 ~~not due to a bona fide promotion or career advancement, a lump-sum payment for~~
9 ~~compensatory time, a lump-sum payment made pursuant to alternate sick leave, leave~~
10 ~~without pay, overtime attributable to a state or federally funded grant, or overtime attributable~~
11 ~~to a state of emergency, the employer shall indicate on the Form 6487 that none of the listed~~
12 ~~exemptions are applicable.~~

13 ~~(a) The employer shall report any increases in creditable compensation directly~~
14 ~~attributable to a lump-sum payment for compensatory time, a lump-sum payment made~~
15 ~~pursuant to alternate sick leave, or leave without pay during the employer's normal monthly~~
16 ~~reporting.~~

17 ~~(b) If, upon review of the Form 6487, the employer believes that adjustments to the~~
18 ~~reported salaries are required, then the employer shall make those adjustments during the~~
19 ~~next monthly reporting cycle pursuant to KRS 16.645, 61.675, and 78.545.~~

20 ~~(3) If the employer believes that the annual increases in creditable compensation~~
21 ~~greater than ten (10) percent over the member's last five (5) fiscal years of employment was~~
22 ~~due to a bona fide promotion or career advancement, overtime attributable to a state or~~

1 ~~federally funded grant, or overtime attributable to a state of emergency, the employer shall~~
2 ~~include the salary directly attributable to each exemption in Part 2 of the Form 6487.~~

3 ~~(a) If the employer believes that any of the salary is directly attributable to a bona fide~~
4 ~~promotion or career advancement, the employer shall complete Part 3 of the Form 6487.~~

5 ~~(b) The employer shall provide an explanation and documentation supporting the~~
6 ~~assertion that the increase in creditable compensation resulted from a bona fide promotion~~
7 ~~or career advancement.~~

8 ~~(c) In determining if a change in position or hiring was a bona fide promotion or career~~
9 ~~advancement, the retirement systems shall consider the factors listed in KRS 61.598(1)(a).~~

10 ~~(4) The employer shall provide any additional information requested by the retirement~~
11 ~~systems. The retirement systems may require the employer to make certifications regarding~~
12 ~~the information and documentation submitted.~~

13 ~~(5) If the increases in creditable compensation are not directly attributable to any of the~~
14 ~~listed exemptions and no reporting information needs to be corrected, then any annual~~
15 ~~increase in creditable compensation greater than ten (10) percent shall not be used to~~
16 ~~calculate the member's retirement allowance.~~

17 ~~(6) The retirement systems shall not issue a refund to the employer for the excess~~
18 ~~employer contributions. The retirement systems shall utilize any employer contributions~~
19 ~~directly attributable to the reduction in creditable compensation to pay the unfunded liability~~
20 ~~of the pension fund in which the retiring member participated.]~~

21 Section 18.~~[Section 10.]~~ Incorporation by Reference.

22 (1) The following material is incorporated by reference:

23 (a) Kentucky Public Pensions Authority Employer Reporting Manual, July 2021;

1 (b) Form 2012, Election or Rejection of Participation for Mayors and Members of City
2 Legislative Bodies, March 2024;

3 (c) Form 2020, Advice of Personnel Action, March 2024;

4 (d) Form 2023, Leave Without Pay Verification, March 2024;

5 (e) Form 2035, Beneficiary Designation, March 2024;

6 (f) Form 4225, Verification of Past Employment, March 2024;

7 (g) Form 6000, Notification of Retirement, June 2023;

8 (h) Form 6800, Application for Duty Related/In Line of Duty Death Benefits, June 2023;

9 (i) Form 7071, Employer Self Service Employer Administrator Account Creation
10 Request, March 2024;

11 (j) Form 7072, Reporting/Balancing Employer Acknowledgment, April 2021;

12 (k) Form 7250, Verification of Payments Outside Regular Wages, March 2024;

13 (l) Form 7851, Data Use and Reporting Agreement, March 2024; and

14 (m) Form 8030, Employer Job Description, June 2023. [~~(a) Form 6481, "Employer~~
15 ~~Request for Post-Determination of Bona Fide Promotion or Career Advancement", July 2015;~~

16 and

17 (b) Form 6487, "Request for Member Pension Spiking Exemption Amounts", February
18 2018.]

19 (2) This material may be inspected, copied, or obtained, subject to applicable copyright
20 law, at the Kentucky Public Pensions Authority, [Perimeter Park West,] 1260 Louisville Road,
21 Frankfort, Kentucky 40601, Monday through Friday, from 8 a.m. to 4:30 p.m. This material is
22 also available on the Kentucky Public Pensions Authority's Web site at kyret.ky.gov.

APPROVED:

DAVID EAGER,
EXECUTIVE DIRECTOR
KENTUCKY PUBLIC PENSIONS AUTHORITY

DATE

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing to allow for public comment on this administrative regulation shall be held on Wednesday, September 25, 2024, at 10:00 a.m. Eastern Time at the Kentucky Public Pensions Authority (KPPA), 1270 Louisville Road, Frankfort, Kentucky 40601. Individuals interested in presenting a public comment at this hearing shall notify this agency in writing no later than five workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be cancelled. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until September 30, 2024. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

KPPA shall file a response with the Regulations Compiler to any public comments received, whether at the public comment hearing or in writing, via a Statement of Consideration no later than the 15th day of the month following the end of the public comment period, or upon filing a written request for extension, no later than the 15th day of the second month following the end of the public comment period.

CONTACT PERSON: Jessica Beaubien, Policy Specialist, Kentucky Public Pensions Authority, 1260 Louisville Road, Frankfort, KY 40601, email Legal.Non-Advocacy@kyret.ky.gov, telephone (502) 696-8800 ext. 8570, facsimile (502) 696-8615.

REGULATORY IMPACT ANALYSIS
AND TIERING STATEMENT

Regulation number: 105 KAR 1:140
Contact person: Jessica Beaubien
Phone number: 502-696-8800 ext. 8570
Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation sets out the administrative duties and reporting requirements for all participating employers in the State Police Retirement System, Kentucky Employees Retirement System, and County Employees Retirement System.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to allow the Kentucky Public Pensions Authority to effectively carry out the day-to-date operations required by KRS 16.505 to 16.652, 61.510 to 61.705, and 78.510 to 78.852.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 61.505(1)(g) authorizes the Kentucky Public Pensions Authority to promulgate administrative regulations on behalf of the Kentucky Retirement Systems and the County Employees Retirement System that are consistent with KRS 16.505 to 16.652, 61.505, 61.510 to 61.705, and 78.510 to 78.852. Employers participating in the Kentucky Employees Retirement System, County Employees Retirement System, and State Police Retirement System are required by KRS 16.645, 61.565, 61.675 78.625, and 78.635 to make contributions to the systems, report creditable compensation and other information that the systems may require to the Kentucky Public Pensions Authority, and perform other duties and responsibilities as participating employers.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation assists with the effective administration of the statutes by detailing the necessary steps that all participating employers in the State Police Retirement System, Kentucky Employees Retirement System, and County Employees Retirement System must take in order to conform with their statutory obligations.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This amendment adds details of the employers' administrative duties and reporting requirements.

(b) The necessity of the amendment to this administrative regulation: This amendment is necessary to allow the Kentucky Public Pensions Authority to effectively carry out the day-to-date operations required by KRS 16.505 to 16.652, 61.510 to 61.705, and 78.510 to 78.852.

(c) How the amendment conforms to the content of the authorizing statutes: KRS 61.505(1)(g) authorizes the Kentucky Public Pensions Authority to promulgate administrative regulations on behalf of the Kentucky Retirement Systems and the County Employees Retirement System that are consistent with KRS 16.505 to 16.652, 61.505, 61.510 to 61.705, and 78.510 to 78.852. Employers participating in the Kentucky Employees Retirement System, County Employees Retirement System, and State Police Retirement System are required by KRS 16.645, 61.565, 61.675 78.625, and 78.635 to make contributions to the

systems, report creditable compensation and other information that the systems may require to the Kentucky Public Pensions Authority, and perform other duties and responsibilities as participating employers.

(d) How the amendment will assist in the effective administration of the statutes: This amendment assists with the effective administration of the statutes by detailing the necessary steps that all participating employers in the State Police Retirement System, Kentucky Employees Retirement System, and County Employees Retirement System must take in order to conform with their statutory obligations.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation will affect 1,452 employers that participate in the State Police Retirement System, the Kentucky Employees Retirement System, and the County Employees Retirement System. This administrative regulation will also affect the Kentucky Public Pensions Authority and the three (3) systems for which it provides operations, the State Police Retirement System, the Kentucky Employees Retirement System, and the County Employees Retirement System.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: Regulated entities will be minimally impacted by these changes as this administrative regulation is already being administered as written.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): The cost of compliance with this administrative regulation should be negligible, as this administrative regulation is already being administered as written.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The benefits should be negligible, as this administrative regulation is already being administered as written.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: The costs associated with the implementation of this amendment should be negligible.

(b) On a continuing basis: The continuing costs associated with this amendment should be negligible.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Administrative expenses of the Kentucky Public Pensions Authority are paid from the Retirement Allowance Account (trust and agency funds).

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: There is no increase in fees or funding required.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish any fees or directly or indirectly increase any fees.

(9) TIERING: Is tiering applied? (Explain why or why not) Tiering is not applied. All entities are subject to the same processes and procedures.

FISCAL IMPACT STATEMENT

105 KAR 1:140

Contact person: Jessica Beaubien

Phone number: 502-696-8800 ext. 8570

Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 61.505(1)(g), 16.645, 61.565, 61.675 78.625, and 78.635.

(2) Identify the promulgating agency and any other affected state units, parts, or divisions: The promulgating agency for this administrative regulation is the Kentucky Public Pensions Authority (KPPA). This administrative regulation will affect the KPPA and the systems for which the KPPA provides operations (the County Employees Retirement System, the State Police Retirement System and the Kentucky Employees Retirement System), and 333 state government employers that participate in the Kentucky Employees Retirement System and the State Police Retirement System.

(a) Estimate the following for the first year:

Expenditures: None.

Revenues: None.

Cost Savings: None.

(b) How will expenditures, revenues, or cost savings differ in subsequent years? There should be no expenditures, revenue, or cost saving for this administrative regulation in subsequent years because this administrative regulation is being administered as written.

(3) Identify affected local entities (for example: cities, counties, fire departments, school districts): The County Employees Retirement System and 1,120 county and local employers that participate in the County Employees Retirement System.

(a) Estimate the following for the first year:

Expenditures: None.

Revenues: None.

Cost Savings: None.

(b) How will expenditures, revenues, or cost savings differ in subsequent years? There should be no expenditures, revenue, or cost saving for this administrative regulation in subsequent years because this administrative regulation is being administered as written.

(4) Identify additional regulated entities not listed in questions (2) or (3): None.

(a) Estimate the following for the first year:

Expenditures: N/A

Revenues: N/A

Cost Savings: N/A

(b) How will expenditures, revenues, or cost savings differ in subsequent years? There are no additional regulated entities not listed in questions (2) or (3).

(5) Provide a narrative to explain the:

(a) Fiscal impact of this administrative regulation: The fiscal impact of this administrative regulation should be negligible because this administrative regulation is already being administered as written.

(b) Methodology and resources used to determine the fiscal impact: This administrative regulation is already being administered as written.

(6) Explain:

(a) Whether this administrative regulation will have an overall negative or adverse major economic impact to the entities identified in questions (2) - (4). (\$500,000 or more, in aggregate) This administrative regulation will not have a "major economic impact" because this administrative regulation is already being administered as written.

(b) The methodology and resources used to reach this conclusion: This administrative regulation is already being administered as written.

SUMMARY OF MATERIAL INCORPORATED BY REFERENCE

The Kentucky Public Pensions Authority Employer Reporting Manual is a 196-page document which includes comprehensive information about general KPPA information including contribution groups; detailed information on employee reporting; information on ESS account setup, maintenance and use; the monthly reporting process and requirements; and instructions for the use of employer forms. This manual is the first source of reference for employers. This is a newly incorporated document.

Form 2012, Election or Rejection of Participation for Mayors and Members of City Legislative Bodies is a 1-page form used by city managers and appointed local government officials, mayors, or city legislative body members who want to elect not to participate in the County Employees Retirement System. This is a newly incorporated document.

Form 2020, Advice of Personnel Action, is a 1-page form completed by employers to submit personnel actions that occurred prior to September 15, 2011. This is a newly incorporated document.

Form 2023, Leave Without Pay Verification, is a 1-page form completed by an employer when an employee begins and ends a period of leave without pay. This is a newly incorporated document.

Form 2035, Beneficiary Designation, is a 2-page form completed by employees to designate a beneficiary that employers must submit to the KPPA if it is given to them by the employee. This is a newly incorporated document.

Form 4225, Verification of Past Employment, is a 3-page form completed by an employer to certify dates, hours, wages, and the position classification for past employment. This is a newly incorporated document.

Form 6000, Notification of Retirement, is a 14-page form completed by members as notification of retirement. Employers must complete Section H of this form in order to include future salary, service and sick and compensatory leave balances in the member's estimated retirement allowance. This is a newly incorporated document.

Form 6800, Application for Duty Related/In Line of Duty Death Benefits, is a 1-page form completed by a deceased member's employers to certify the date, time, location, and description of an incident to determine if the incident qualifies as an act in line of duty or duty related injury. This is a newly incorporated document.

Form 7071, Employer Self Service Employer Administrator Account Creation Request, is a 1-page form use to designate an Employer Administrator for the employer's ESS account. This is a newly incorporated document.

Form 7072, Reporting/Balancing Employer Acknowledgment, is a 1-page form used to designate a third-party entity to report employee information on behalf of the employer. This is a newly incorporated document.

Form 7250, Verification of Payments Outside Regular Wages, is a 1-page form completed by employers for payment for creditable compensation paid as a lump sum, nonrecurring payment, or other payment outside of regular wages. This is a newly incorporated document.

Form 7851, Data Use and Reporting Agreement, is a 4-page form completed by employers that details the employer's data use and reporting responsibilities within the ESS system. This is a newly incorporated document.

Form 8030, Employer Job Description, is a 3-page form completed by the employer to provide KPPA with details of a member or deceased member's job duties and requirements in order for KPPA to determine eligibility of disability or survivor benefits. This is a newly incorporated document.

1 FINANCE AND ADMINISTRATION CABINET

2 Kentucky Public Pensions Authority

3 (Amendment)

4 105 KAR 1:001. Definitions for 105 KAR Chapter 1.

5 RELATES TO: KRS 16.505-16.652, 61.510-61.705, 78.510-78.852

6 STATUTORY AUTHORITY: KRS 61.505(1)(g)

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.505(1)(g) authorizes the
8 Kentucky Public Pension Authority on behalf of the Kentucky Retirement Systems and the
9 County Employees Retirement System to promulgate administrative regulations that are
10 consistent with the provisions of KRS 16.505 to 16.652, 61.505, 61.510 to 61.705, and 78.510
11 to 78.852. This administrative regulation establishes definitions for 105 KAR Chapter 1.

12 Section 1. Definitions. The following definitions shall apply to 105 KAR Chapter 1 unless
13 otherwise required by context or otherwise defined in a specific administrative regulation:

14 (1) "AAC" means:

15 (a) Prior to April 1, 2021, the Administrative Appeals Committee of the Board of Trustees
16 of the Kentucky Retirement Systems.

17 (b) Beginning April 1, 2021, the separate or joint Administrative Appeals Committees of
18 the Board of Trustees of the Kentucky Retirement Systems and the Board of Trustees of the
19 County Employees Retirement System in accordance with KRS 61.645(16) and 78.782(16).

20 (2) "Accumulated account balance" is defined by KRS 16.505(40), 61.510(41), and
21 78.510(38).

22 (3) "Accumulated contributions" is defined by KRS 16.505(7), 61.510(12), and 78.510(12).

1 (4) "Accumulated employer credit" is defined by KRS 16.505(39), 61.510(40), and
2 78.510(37).

3 (5) "Act in line of duty" or "in line of duty" is defined by KRS 16.505(19) and 78.510(48).

4 (6) "Active member" means a member who is participating in the systems.

5 (7) "Actuarial equivalent" is defined by KRS 16.505(13), 61.510(17), and 78.510(17).

6 (8) "Agency" means:

7 (a) Prior to April 1, 2021, the Kentucky Retirement Systems, which administered the State
8 Police Retirement System, the Kentucky Employees Retirement System, and the County
9 Employees Retirement System; and

10 (b) Beginning April 1, 2021, the Kentucky Public Pensions Authority, which is authorized
11 to carry out the day-to-day administrative needs of the Kentucky Retirement Systems
12 (comprised of the State Police Retirement System and the Kentucky Employees Retirement
13 System) and the County Employees Retirement System.

14 (9) "Agency reporting official" is defined by KRS 78.510(20).

15 (10) "Alternate payee" is defined by KRS 16.505(38), 61.510(39), and 78.510(36).

16 (11) "Authorized leave of absence" is defined by KRS 16.505(14).

17 (12) "Beneficiary" is defined by KRS 16.505(25), 61.510(26), and 78.510(25).

18 (13) "Boards" means the Board of Trustees of the Kentucky Retirement Systems and the
19 Board of Trustees of the County Employees Retirement System.

20 (14) "Bona fide promotion or career advancement" means:

21 (a) is defined by The definition provided by KRS 61.598(1) and 78.545(22); and

22 (b) Any increases in creditable compensation for all employees in a specified class due to
23 an increase in rate of pay authorized or funded by the legislative or administrative body of the

1 employer or due to an increase in rate of pay mandated in a collective bargaining agreement
2 approved by the legislative body of the employer.

3 (15) "Career threshold" is defined by KRS 61.702(4)(e).9.a. and 78.5536(4)(e)9.a.

4 (16) "County" is defined by KRS 78.510(3).

5 (17) "Creditable compensation" is defined by KRS 16.505(8), 61.510(13), and 78.510(13).

6 (18) "Current rate of pay" is defined by KRS 16.505(24), 61.510(25), and 78.510(24).

7 (19) "Current service" is defined by KRS 16.505(4), 61.510(10), and 78.510(10).

8 (20) "DAC" means:

9 (a) Prior to April 1, 2021, the Disability Appeals Committee of the Board of Trustees of the
10 Kentucky Retirement Systems.

11 (b) Beginning April 1, 2021, the separate or joint Disability Appeals Committees of the
12 Board of Trustees of the Kentucky Retirement Systems and the Board of Trustees of the
13 County Employees Retirement System in accordance with KRS 61.665(4) and 78.545(11).

14 (21) "Department" is defined by KRS 61.510(3).

15 (22) "Dependent child" is defined by KRS 16.505(17) and 78.510(49).

16 (23) "Disability retirement date" is defined by KRS 16.505(16), 61.590(5)(b), and
17 78.510(51).

18 (24) "Duty-related injury" is defined by KRS 61.621(2) and 78.545(20).

19 (25) "Early retirement date" is defined by KRS 16.505(20), 61.590(5)(c), and 78.545(4).

20 (26) "Employee" is defined by KRS 61.510(5) and 78.510(6).

21 (27) "Employer" is defined by KRS 16.505(3), 61.510(6), and 78.510(7).

22 (28) "Employer's effective cessation date" is defined by KRS 61.522(1)(c) and
23 78.535(1)(c).

24 (29) "End of day" means:

1 (a) 11:59 p.m. Eastern Time, on the date referenced; and

2 (b) If the date referenced falls on a Saturday, Sunday, a public holiday listed in KRS
3 2.110, a day on which the retirement office is actually and legally closed, or any other state or
4 federal holiday that disrupts mail service, then the time period shall be met if the application,
5 documentation, form, notice, or other requested or required information is filed or submitted no
6 later than 11:59 p.m. Eastern Time on the next business day following the weekend, holiday,
7 or date of closure.

8 (30) "Examiner" means the medical examiners as provided in KRS 61.665 and
9 78.545(11).

10 (31) "File" means a form or document has been received at the retirement office by mail,
11 fax, secure email, in-person delivery, or via Self Service on the Web site maintained by the
12 agency (if available).

13 (32) "Final compensation" is defined by KRS 16.505(9), 61.510(14), and 78.510(14).

14 (33) "Final rate of pay" is defined by KRS 16.505(10), 61.510(15), and 78.510(15).

15 (34) "Fiscal year" is defined by KRS 16.505(32), 61.510(19), and 78.510(19).

16 (35) "Full-time student" means a person:

17 (a) Enrolled in a postsecondary program of study that meets the full-time student
18 requirements of the institution in which he or she is enrolled;

19 (b) Enrolled in a continuing education or training program that meets the full-time
20 requirements of the program or institution in which he or she is enrolled; or

21 (c) Enrolled in high school or a GED program that meets the full-time student requirements
22 of the program or institution in which he or she is enrolled.

1 ~~(36)~~^[35] "Gainful employment" means work in any capacity that is, or may be, performed
2 with regularity and is, or may be, usually done for pay, whether or not pay is received,
3 including seasonal, volunteer, part-time, and on-call work.

4 ~~(37)~~^[36] "Grandfathered service" is defined by KRS 61.552(9)(b) and 78.545(7).

5 ~~(38)~~^[37] "Hazardous disability" is defined by KRS 16.505(23) and 78.510(47).

6 ~~(39)~~^[38] "Hazardous position" means a regular full-time officer as defined by 16.505(22),
7 or a "hazardous position" as defined by 61.592(1)(a), 78.510(42), and 78.5520(1).

8 ~~(40)~~ "Hazardous service" means the number of years and months of employment as an
9 employee in a hazardous position.

10 ~~(41)~~^[39] "Hospital and medical insurance plan" is defined by KRS 61.702(1)(a) and
11 78.5536(1)(a).

12 ~~(42)~~^[40] "In line of duty" or "act in line of duty" is defined by KRS 16.505(19) and
13 78.510(48).

14 ~~(43)~~^[41] "Inactive member" means a member who is not participating in the system.

15 ~~(44)~~^[42] "Increment" is defined by KRS 61.510(29) and 78.510(44).

16 ~~(45)~~^[43] "Instructional staff" is defined by KRS 61.510(48).

17 ~~(46)~~^[44] "Invalid," if used in reference to a form, means that the form does not meet the
18 requirements to be valid, and shall not be processed by the agency.

19 ~~(47)~~^[45] "Last day of paid employment" is defined by KRS 16.505(30), 61.510(32), and
20 78.510(45).

21 ~~(48)~~^[46] "Level percentage of payroll amortization method" is defined by KRS 61.510(28)
22 and 78.510(43).

23 ~~(49)~~^[47] "Medical information" as used in KRS 61.610, 61.615, 61.665, 78.5526 and
24 78.5528:

1 (a) Means reports of examinations or treatments; medical signs that are anatomical,
2 physiological, or psychological abnormalities that can be observed; psychiatric signs that are
3 medically demonstrable phenomena indicating specific abnormalities of behavior, affect,
4 thought, memory, orientation, or contact with reality; or laboratory findings that are anatomical,
5 physiological, or psychological phenomena that can be shown by medically acceptable
6 laboratory diagnostic techniques, including chemical tests, electrocardiograms,
7 electroencephalograms, X-rays, and psychological tests; and

8 (b) Does not mean written statements from medical providers alone unless accompanied
9 by supporting contemporaneous records as established in paragraph (a) of this subsection.

10 ~~(50)~~[48] "Member" is defined by KRS 16.505(21), 61.510(8), and 78.510(8).

11 ~~(51)~~[49] "Membership date" is defined by KRS 16.505(35), 61.510(36), and 78.510(33).

12 ~~(52)~~[50] "Month" is defined by KRS 16.505(34), 61.510(35), and 78.510(32).

13 ~~(53)~~[54] "Monthly average pay" is defined by KRS 16.505(41), 61.510(45), and
14 78.510(52).

15 ~~(54)~~[52] "Monthly contribution rate" means the maximum contribution the systems will pay
16 toward the premium of a retired member based on:

17 (a) The amount determined by the boards as provided in KRS 61.702(1)(b), 61.702(4)(b)-
18 (d), 78.5536(1)(b), and 78.5536(4)(b)-(d) for a retired member who began participating in the
19 systems on or before June 30, 2003; or

20 (b) The amount per month earned by the retired member based on years of service as
21 provided in KRS 61.702(4)(e) and 78.5536(4)(e) for a retired member who began participating
22 in the systems on or after July 1, 2003.~~[is defined by KRS 61.702(1)(b) and 78.5536(1)(b)].~~

23 ~~(55)~~[53] "Nominal fee" is defined by KRS 61.510(43) and 78.510(40).

24 ~~(56)~~[54] "Non-core services independent contractor" is defined by KRS 61.5991(9).

1 ~~(57)~~~~[55]~~ "Nonhazardous position" is defined by KRS 61.510(44) and 78.510(41).

2 ~~(58)~~ "Nonparticipating position" means any position of employment with a participating
3 employer other than a regular full-time position or a regular full-time officer position.

4 ~~(59)~~~~[56]~~ "Normal retirement age" means the age at which the member meets the
5 requirements for his or her normal retirement date.

6 ~~(60)~~~~[57]~~ "Normal retirement date" is defined by KRS 16.505(15), 61.510(18), 61.590(5)(a),
7 and 78.510(18).

8 ~~(61)~~~~[58]~~ "Objective medical evidence" is defined by KRS 16.505(31), 61.510(33), and
9 78.510(46).

10 ~~(62)~~~~[59]~~ "Officers and employees of the General Assembly" is defined by KRS
11 61.510(20).

12 ~~(63)~~~~[60]~~ "Optional allowance" is defined by KRS 16.505(18).

13 ~~(64)~~~~[64]~~ "Participant" is defined by KRS 16.505(36), 61.510(37), and 78.510(34).

14 ~~(65)~~~~[62]~~ "Participating" is defined by KRS 16.505(33), 61.510(34), and 78.510(31).

15 ~~(66)~~~~[63]~~ "Participating employer" means any employer that participates in one (1) of the
16 systems operated by the agency.

17 ~~(67)~~ "Participating position" means a regular full-time position, a regular full-time officer
18 position, or other positions that meet the requirements of KRS 61.680(6)(a) and 78.545.

19 ~~(68)~~~~[64]~~ "Participation date" means the earlier of "membership date" as defined in this
20 section or the date on which the member began participating in another state-administered
21 retirement system if the member has not retired or taken a refund from the other state-
22 administered retirement system.

23 ~~(69)~~~~[65]~~ "Past service" is defined by KRS 61.552(5)(a) and 78.545(7).

24 ~~(70)~~~~[66]~~ "Person" means a natural person.

1 (71)[67] "Premium" means the monthly dollar cost required to provide hospital and
2 medical insurance plan coverage for a recipient, a recipient's spouse, or a disabled or
3 dependent child.

4 (72)[68] "Prior service" is defined by KRS 16.505(5), 61.510(11), and 78.510(11).

5 (73)[69] "Provide," if used in reference to a form or other document, means the agency
6 makes a form or document available on its Web site (if appropriate) or by mail, fax, secure
7 email, or via Self Service on the Web site maintained by the agency (if available).

8 (74)[70] "Qualified domestic relations order" is defined by KRS 16.505(37), 61.510(38),
9 and 78.510(35).

10 (75)[74] "Recipient" is defined by KRS 16.505(26), 61.510(27), and 78.510(26).

11 (76)[72] "Reemployment" means the retired member's first date of employment with a
12 participating employer following his or her most recent retirement date.

13 (77)[73] "Regular full-time officers" is defined by KRS 16.505(22).

14 (78)[74] "Regular full-time position" is defined by KRS 61.510(21) and 78.510(21).

15 (79)[75] "Retired member" is defined by KRS 16.505(11), 61.510(24), and 78.510(23).

16 (80)[76] "Retirement allowance" is defined by KRS 16.505(12), 61.510(16), and
17 78.510(16).

18 (81) "Retirement date" means a member's effective retirement date as described in KRS
19 61.590(5) and 78.545(4).

20 (82)[77] "Retirement office" is defined by KRS 16.505(28), 61.510(31), and 78.510(29).

21 (83)[78] "School board" is defined by KRS 78.510(4).

22 (84)[79] "School term or year" is defined by KRS 78.510(28).

23 (85) "Self-Service Web site" means the secure Member Self-Service or Retiree Self-Service
24 agency Web site.

1 (86)[80] "Service" is defined by KRS 16.505(6), 61.510(9), and 78.510(9).

2 (87)[84] "State" means the Commonwealth of Kentucky.

3 (88) "State-administered retirement system" means the retirement systems with
4 reciprocity as described in KRS 61.680.

5 (89) "Submit" means the required form, documentation, report, or payment has been
6 received by the retirement office via mail, fax, electronic mail, the Self-Service Web site, the
7 Employer Self-Service Web site, or other mode specifically detailed in an administrative
8 regulation.

9 (90)[82] "Systems" means the State Police Retirement System (KRS 16.505 to 16.652),
10 the Kentucky Employees Retirement System (KRS 61.510 to 61.705), and the County
11 Employees Retirement System (KRS 78.510 to 78.852).

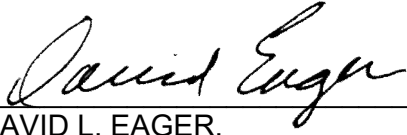
12 (91)[83] "Total and permanent disability" is defined by KRS 16.582(1)(a) and
13 78.5524(1)(a)1.

14 (92)[84] "Valid," if used in reference to a form, means that all required sections of a form
15 are filled out, the form has been fully executed by the required person or the person's legal
16 representative, and all supporting documentation required by the form is included with the
17 form.

18 (93)[85] "Volunteer" is defined by KRS 61.510(42) and 78.510(39).

19 (18 Ky.R. 1692; 2195; eff. 1-10-1992; 22 Ky.R. 1325; 3-7-1996; 31 Ky.R. 785; 1049; eff.
20 1-4-2005; 33 Ky.R. 2-2-2007; 44 Ky.R. 258; eff. 11-3-2017; 49 Ky.R. 1535, 1899; eff. 7-5-
21 2023.)

APPROVED:



DAVID L. EAGER,
EXECUTIVE DIRECTOR
KENTUCKY PUBLIC PENSIONS AUTHORITY

3/21/2024

DATE

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing to allow for public comment on this administrative regulation shall be held on Tuesday, June 25, 2024, at 10:00 a.m. Eastern Time at the Kentucky Public Pensions Authority (KPPA), 1270 Louisville Road, Frankfort, Kentucky 40601. Individuals interested in presenting a public comment at this hearing shall notify this agency in writing no later than five workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be cancelled. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until June 30, 2024. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

KPPA shall file a response with the Regulations Compiler to any public comments received, whether at the public comment hearing or in writing, via a Statement of Consideration no later than the 15th day of the month following the end of the public comment period, or upon filing a written request for extension, no later than the 15th day of the second month following the end of the public comment period.

CONTACT PERSON: Jessica Beaubien, Policy Specialist, Kentucky Public Pensions Authority, 1260 Louisville Road, Frankfort, KY 40601, email Legal.Non-Advocacy@kyret.ky.gov, telephone (502) 696-8800 ext. 8570, facsimile (502) 696-8615.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation number: 105 KAR 1:001
Contact person: Jessica Beaubien
Phone number: 502-696-8800 ext. 8570
Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes definitions for Title 105 of the Kentucky Administrative Regulations.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to establish the definitions for Title 105 of the Kentucky Administrative Regulations.

(c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation conforms to the authorizing statute by establishing definitions for Title 105 of the Kentucky Administrative Regulations, which contains administrative regulations for the Kentucky Public Pensions Authority and the systems for which it provides operations.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation will assist in the effective administration of the statutes by establishing definitions for the administrative regulations in Title 105 of the Kentucky Administrative Regulations.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This amendment adds several new definitions.

(b) The necessity of the amendment to this administrative regulation: These additional definitions are needed to assist in the effective administration of statutes by establishing them as definitions for the administrative regulations in Title 105 of the Kentucky Administrative Regulations.

(c) How the amendment conforms to the content of the authorizing statutes: This amendment conforms to the authorizing statute by adding definitions for Title 105 of the Kentucky Administrative Regulations, which contains administrative regulations for the Kentucky Public Pensions Authority and the systems for which it provides operations.

(d) How the amendment will assist in the effective administration of the statutes: This amendment will assist in the effective administration of the statutes by adding definitions for the administrative regulations in Title 105 of the Kentucky Administrative Regulations.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation may affect over 420,000 members of the systems for which the Kentucky Public Pensions Authority provides operations as well as their spouses, dependent children, and beneficiaries. Additionally, this administrative regulation may affect 1,452 employers that participate in the State Police Retirement System, the Kentucky Employees Retirement System, and the County Employees Retirement System. Finally, this administrative regulation will affect the Kentucky Public Pensions Authority and the three (3) systems for which it provides operations, the State Police Retirement System, the Kentucky Employees Retirement System, and the County Employees Retirement System.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: None.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): This regulation will not cost any additional funds.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): This administrative regulation will assist all entities identified in question (3) with understanding the administrative regulations in Title 105 of the Kentucky Administrative Regulations.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: None.

(b) On a continuing basis: None.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: There is no funding needed.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: There is no increase in fees or funding required.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish any fees or directly or indirectly increase any fees.

(9) TIERING: Is tiering applied? (Explain why or why not) Tiering is not applied. All entities have the same requirements.

FISCAL IMPACT STATEMENT

105 KAR 1:001

Contact Person: Jessica Beaubien

Phone: 502-696-8800 ext. 8570

Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 61.505(1)(g)

(2) Identify the promulgating agency and any other affected state units, parts, or divisions: The Kentucky Public Pensions Authority (KPPA) is the promulgating agency. The other affected state units are the employers that participate in the State Police Retirement System or the Kentucky Employees Retirement System.

(a) Estimate the following for the first year:

Expenditures: None.

Revenues: None.

Cost Savings: None.

(b) How will expenditures, revenues, or cost savings differ in subsequent years? None.

(3) Identify affected local entities (for example: cities, counties, fire departments, school districts): The employers that participate in the County Employees Retirement System may be impacted by this administrative regulation.

(a) Estimate the following for the first year:

Expenditures: None.

Revenues: None.

Cost Savings: None.

(b) How will expenditures, revenues, or cost savings differ in subsequent years? None.

(4) Identify additional regulated entities not listed in questions (2) or (3): None.

(a) Estimate the following for the first year:

Expenditures: None.

Revenues: None.

Cost Savings: None.

(b) How will expenditures, revenues, or cost savings differ in subsequent years? None.

(5) Provide a narrative to explain the:

(a) Fiscal impact of this administrative regulation: There is no fiscal impact for this administrative regulation.

(b) Methodology and resources used to determine the fiscal impact: There is no fiscal impact for this administrative regulation.

(6) Explain:

(a) Whether this administrative regulation will have an overall negative or adverse major economic impact to the entities identified in questions (2) - (4). (\$500,000 or more, in aggregate) This administrative regulation will not have a "major economic impact".

(b) The methodology and resources used to reach this conclusion: There is no major economic impact for this administrative regulation.



KPPA

Kentucky Public Pensions Authority

EMPLOYER REPORTING, COMPLIANCE & EDUCATION

Force

**EMPLOYER
REPORTING
MANUAL**

Force

EMPLOYER REPORTING, COMPLIANCE & EDUCATION

CHAPTER 1

KPPA Information

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REVISED 07/2021

PLAN ADMINISTRATION

The Commonwealth of Kentucky provides retirement benefits for most state and county employees through Kentucky Public Pensions Authority (KPPA), which operates three separate retirement systems:



1. Kentucky Employees Retirement Systems (KERS) established July 1, 1956 for state employees.



2. County Employees Retirement Systems (CERS) established July 1, 1958 for local government and classified school board employees.



3. State Police Retirement Systems (SPRS) established July 1, 1958 for uniformed Kentucky State Police officers.

CERS is governed by the CERS Board of Trustees established pursuant to [Kentucky Revised Statute 78.782](#). KERS and SPRS are governed by the Kentucky Retirement Systems (KRS) Board of Trustees established pursuant to [Kentucky Revised Statute 61.645](#).



[KRS 61.645](#)
[KRS 78.782](#)



READ MORE

[Read more about the Board of Trustees.](#)

An Executive Director oversees KPPA and works closely with the KRS and CERS Boards. [Learn more about KPPA and the systems it operates.](#)



READ MORE

During the 2015 Regular Session of the General Assembly, the Public Pension Oversight Board was established. This board is a legislative advisory board attached administratively to the Kentucky Legislative Research Commission. [Read more about the Public Pension Oversight Board.](#)

LAWS AND REGULATIONS

KERS, CERS and SPRS are qualified governmental defined benefit plans established under Section 401(a) of the Internal Revenue Code (IRC).

Kentucky law provides for three benefit tiers based on participation date. Participation date is when a member began paying contributions and earning service credit with a state-administered retirement system. A member's participation date can change the level of benefits to which they are entitled, health insurance eligibility and their eligibility to purchase service.

- **Tier 1:** Participation date prior to September 1, 2008 (defined benefit plan)
- **Tier 2:** Participation date September 1, 2008 through December 31, 2013 (defined benefit plan)
- **Tier 3:** Participation date January 1, 2014 and after (hybrid cash balance plan)

The three systems are governed by the following state statutes:

- [Kentucky Revised Statutes 61.510 through 61.705](#) applies to **KERS**
- [Kentucky Revised Statutes 78.510 through 78.852](#) applies to **CERS**
- [Kentucky Revised Statutes 16.505 through 16.652](#) applies to **SPRS**



[KRS 61.510 - 61.705](#)

[KRS 78.510 - 78.852](#)

[KRS 16.505 - 16.652](#)



[KAR Title 105](#)

The administrative regulations necessary to carry out the statutes, policies and procedures covering the systems operated by KPPA are found in [Title 105 of the Kentucky Administrative Regulations](#).

PLAN FUNDING

Benefits are funded through three sources:

1. Employee contributions deducted from an employee’s creditable compensation,
2. Employer contributions paid by each participating agency, and
3. Return on investments.

EMPLOYEE CONTRIBUTIONS

Kentucky law provides that all employees meeting the requirements for membership contribute a percentage of their gross wages, referred to as creditable compensation. The amount the employee contributes is determined by their benefit tier. Employees classified as hazardous contribute a different amount than employees classified as nonhazardous. Due to legislation enacted by the 2008 Special Session of the General Assembly, employees with a participation date on or after September 1, 2008 contribute an additional, non-refundable, one percent health insurance contribution (HICON).

HICON
Health Insurance
Contribution



| EMPLOYEE CONTRIBUTION | | |
|-----------------------|--------------------|--|
| TIER | PARTICIPATION DATE | CONTRIBUTION |
| Tier 1 | Prior to 9/1/08 | Without HICON NHAZ 5%; HAZ 8% |
| Tier 2 | 9/1/08 - 12/31/13 | With HICON NHAZ 5% + 1% HICON HAZ 8% + 1% HICON |
| Tier 3 | 1/1/14 and after | With HICON NHAZ 5% + 1% HICON HAZ 8% + 1% HICON |

TAX TREATMENT OF EMPLOYEE CONTRIBUTIONS

When mandatory employee contributions are deducted from an employee’s check, the contributions are exempt from Federal and State Income Tax withholding. Mandatory employee contributions have been exempted from Federal and State Income Tax withholdings since August 1, 1982. These contributions are tax deferred, which means the contributions are withheld from employees’ gross pay before Federal and State Income Tax.

From January 1, 1987 through December 31, 2016, Federal Social Security withholdings were also exempt. This changed January 1, 2017 under a [Memorandum of Agreement](#) between the Commonwealth of Kentucky and the Internal Revenue Service. As of January 1, 2017, employee contributions are deducted after Federal Social Security is withheld.

[PDF LINK](#)
[Memorandum of Agreement](#)



[KRS 61.565](#)
[KRS 61.702](#)
[KRS 78.5536](#)
[KRS 78.635](#)



READ MORE

[Chapter 2:
Employee
Reporting](#)

EMPLOYER CONTRIBUTIONS

Recommended employer contribution rates are determined by KPPA's independent actuary based on data in the annual actuarial valuation. The CERS and KRS Boards of Trustees adopt employer contribution rates necessary for the actuarial soundness of the systems governed by the respective boards as required by [Kentucky Revised Statutes 61.565, 61.702, 78.5536, and 78.635](#). KERS and SPRS employer rates are subject to approval by the Kentucky General Assembly through the adoption of the biennial Executive Branch Budget. The CERS Board sets CERS contribution rates, unless altered by legislation enacted by the General Assembly.

Each employer is required to contribute at the rate set by law. Employer contributions are paid on creditable compensation earned by each employee eligible for membership in the systems operated by KPPA. Read more about eligible employees in [Chapter 2](#).



Effective July 1, 2021, KERS Nonhazardous employer contributions include an additional amount based on the unfunded liability. [Read more about historical and current employer contribution rates.](#)

DEPOSIT OF EMPLOYER CONTRIBUTIONS

Employer contributions are used to pay monthly benefits and to fund administrative expenses. Employer contributions are deposited to the Retirement Allowance Account and the Insurance Fund, with the exception of the Employer Pay Credit for Tier 3 members. The Employer Pay Credit portion of employer contributions for Tier 3 members is deposited to the member's account each month.

DEPOSIT OF EMPLOYEE CONTRIBUTIONS

All employee contributions, except for the one percent health insurance contribution required for members in Tiers 2 and 3, are deposited in the member's account. The additional one percent health insurance contribution paid by members with a participation date on or after September 1, 2008 is deposited into a non-refundable trust to reduce the unfunded liability of the insurance plans.

When an employee retires, his or her account balance is transferred to the Retirement Allowance Account to pay retirement benefits.

CREDITABLE COMPENSATION

Creditable compensation is used to calculate retirement benefits and must be reported for every employee each month.

What's Included

Creditable compensation consists of all salary, wages, tips, fees and payments for compensatory time, paid as a result of services performed for the employer, or for time when the member is on paid leave which are includable on the member's Federal Form W-2, Wage and Tax statement, under the heading "Wages, Tips, and Other Compensation".



Exception: For employees whose participation date is on or after September 1, 2008, lump-sum payments for compensatory leave before or after retirement cannot be included in creditable compensation and should not be reported to KPPA.

Elective amounts for qualified transportation fringe payments not includable in gross salary per Title 26 United States Code Section 132(f)(4) are also part of creditable compensation. This includes any of the following provided by an employer to an employee:

- Transportation in a commuter highway vehicle if such transportation is in connection with travel between the employee's residence and place of employment.
- Any transit pass.
- Qualified parking.
- Any qualified bicycle commuting reimbursement.

Lump sum bonuses, severance payments or employer-provided payments for purchasing service credit are also included in creditable compensation for reporting. These types of payments must be reported separately from regular wages on the monthly detail report. If these types of payments exceed \$1,000 for the fiscal year, then the combined payments will be averaged over an employee's total service in the system in which they are reported.

If an employee's compensation package includes non-monetary items, such as provided vehicles or housing, KPPA will facilitate the determination of the value of these items for purposes of reporting contributions.

What's Not Included

Living allowances, expense reimbursements, and lump-sum payments for accrued unused vacation time are not considered creditable compensation and should not be reported to KPPA. Lump sum payments for unused sick leave when an employee terminates may only be reported to KPPA if the agency participates in the CERS Alternate Sick Leave Program under [Kentucky Revised Statute 78.616\(5\)](#). Lump sum payments for unused sick leave at any time other than termination, lump sum compensatory time payments for employees who began participating on or after September 1, 2008 and nominal fees for volunteers with a participation date on or after August 1, 2016 are not reportable. There are also specific retired reemployed exemptions explained in [Chapter 2](#).

Member pension spiking may affect creditable compensation for retirement purposes. Read more about pension spiking in [Chapter 2](#).

FISCAL YEAR LIMITS

Section 401(a)(17) of the Internal Revenue Code limits the amount of creditable compensation that can be reported during the fiscal year. Under these guidelines, employee and employer contributions are to be reported on the monthly detail report for all creditable compensation earned by an employee up to the maximum annual limit. Once an employee reaches the creditable compensation limit, no contributions are to be reported for the remainder of the fiscal year. However, the employer must continue to report the employee's creditable compensation for the remainder of the fiscal year using the "Salary that Exceeds IRS Limit" field on the monthly detail report. If the employer reports contributions on salary in excess of the creditable compensation limit, KPPA will refund those contributions. [Read more](#) about Creditable Compensation and Fiscal Year Limits.



If a member is paying into a before-tax compensation plan, such as a 401(k) or a 457 plan, the amount contributed to these plans does not reduce a member's creditable compensation for purposes of calculating retirement benefits. A member's creditable compensation is determined prior to any deductions to before-tax compensation plans.



[KRS 78.616\(5\)](#)



[READ MORE](#)

[Chapter 2:
Employee
Reporting](#)



[READ MORE](#)

INDIVIDUAL MEMBER ACCOUNTS

ACCOUNT ADMINISTRATION

Prior to retirement, an account is maintained for individual employee contributions. The balance in the account cannot be garnished or used for collateral on a loan. Members actively contributing to one or more of the systems cannot withdraw funds from their account(s).

CONFIDENTIALITY

Information in a member’s account is confidential. Requests for information about a member’s account must be made in writing or in person and should contain the Member ID, home mailing address, and signature. Account information cannot be provided over the telephone unless the caller provides the Member ID and the PIN assigned to the account.



Account information will be released in response to a lawful subpoena or court order.

MEMBER FORMS

When a new employee is reported to KPPA, an enrollment record is created. If the employee is a new member, KPPA sends a welcome letter and issues a Personal Identification Number (PIN).

Once a new member has been reported by an employer, and contributions have posted to the account, KPPA mails a Member Welcome letter which includes [Form 2035, Beneficiary Designation](#) and [Form 2001, Membership Information](#). The new member will receive their KPPA PIN in a separate letter.

New members are assigned a Member ID that is included in their welcome letter and pre-populates on the enclosed forms. The PIN is used by the member or their representative to obtain information when contacting our office and to register for [Member Self Service](#).

New members should complete and submit the Form 2001 and Form 2035 to KPPA.



If there is not a valid Form 2035 on file with KPPA prior to the member’s death, the member’s estate is the default beneficiary. For this reason, employers should not hold beneficiary forms in an employee’s personnel file.

If the member provides a Form 2035 to their employer, the employer should forward the form to KPPA immediately upon receipt. The member may change the beneficiary of their retirement account at any point during their employment by submitting a new Form 2035 to KPPA.

ANNUAL STATEMENT

Prior to retirement, an Annual Statement for a member’s account is available online through [Member Self Service](#). The Annual Statement provides a snapshot of the retirement benefits, contributions, interest and service accrued through the end of the fiscal year (June 30th). Members should always review their Annual Statements carefully to ensure the information is correct. Tier 3 members received their first Annual Statement in 2019.

PIN
Personal
Identification
Number



MEMBER FORMS

[Form 2035](#)

[Form 2001](#)

SELF SERVICE



INTEREST

The interest credited to a member's account each June 30 and reported on the Annual Statement is calculated based upon the account balance at the end of the prior fiscal year. New members do not see interest credited in their first year since there is no prior year balance.

For **Tier 1** members, the interest paid is set by the CERS and KRS Boards of Trustees for the systems governed by the respective boards and will not be less than 2.0%; for **Tier 2** members interest will be credited at a rate of 2.5%.

Tier 3 members earn a base of 4% interest annually on both the member contributions and the Employer Pay Credit balance. Upside Sharing Interest is the additional interest credit that may be applied to a Tier 3 account. Upside Sharing Interest is not guaranteed. The following conditions must be met before Upside Sharing Interest is credited to a member's account:

- The system's geometric average net investment return for the last five years must exceed 4%.
- The member must have been active and contributing in the fiscal year.

REFUND OF ACCOUNT BALANCE

Upon termination of employment with all participating employers, a member has three options: (1) retire if eligible, (2) leave the contributions until they reach retirement eligibility or (3) take a refund of the account balance. An individual's options depend on the member's benefit tier:



[Read more about Tier 1 refund options](#)



[Read more about Tier 2 refund options](#)



[Read more about Tier 3 refund options](#)



MEMBER FORMS

Form 4525

In order to process a refund of employee contributions:

- The member must complete a [Form 4525, Application for Refund and Direct Rollover of Contributions](#), and
- The employer must report the member's employment end reason and employment end date on the monthly contribution detail report.



The employee must terminate employment and have a separation from service to be eligible for a refund. If there is any doubt, please contact your ERCE representative.

A refund cannot be issued until KPPA has received all required information. Since contributions are reported to KPPA on a monthly basis and wages are paid typically two to four weeks after termination, the refund process takes at least 45 days beyond the termination date.

SELF SERVICE**MEMBER SELF SERVICE**

The Member Self Service website allows members to manage their retirement account and access benefit details online. Using Member Self Service, members can:

- Maintain contact information
- Upload documents
- View Annual Statements
- Calculate retirement estimates
- Calculate potential costs of service purchases
- Register for seminars
- Access the secure message center
- Apply for retirement
- Enroll in health insurance at retirement



[Read more about Member Self Service.](#)



Contact KPPA

CONTACTING KPPA

The KPPA Call Center is staffed with retirement counselors who help members obtain services and answer questions. Counselors may provide specific information about a member's account over the phone if the member provides their KPPA issued PIN and Member ID.

Any written inquiries should include:

- The member's name,
- Member ID,
- Home mailing address, and
- Signature.

Members may email KPPA with general questions. Email is not secure. We strongly recommend that email be used for general inquiries only and that the sender not include information of a confidential or personal nature. Examples of information which **SHOULD NOT** be transmitted by email include Social Security numbers, dates of birth, home addresses, telephone numbers, bank accounts and credit card information, mother's maiden name, medical information, and any information that an employee would not want a third party to discover. Employees should call or submit written requests for specific information.

EMPLOYER RESOURCES



DIVISION OF EMPLOYER REPORTING, COMPLIANCE AND EDUCATION

The Division of Employer Reporting, Compliance and Education (ERCE) has three teams to support employers based on reporting method:

- [File/Web Team](#) - Supports county employers, local government employers and quasi-governmental employers.
- [KHRIS Team](#) - Supports employers included on the Personnel Cabinet’s monthly retirement file.
- [School Board Team](#) - Supports all county and independent school boards.

In addition, ERCE established a Quality Assurance and Outreach Team in 2019. This team is responsible for providing employer training resources. This team also assists with internal testing and support required for all employer processes, including those impacted by special business and technology projects.

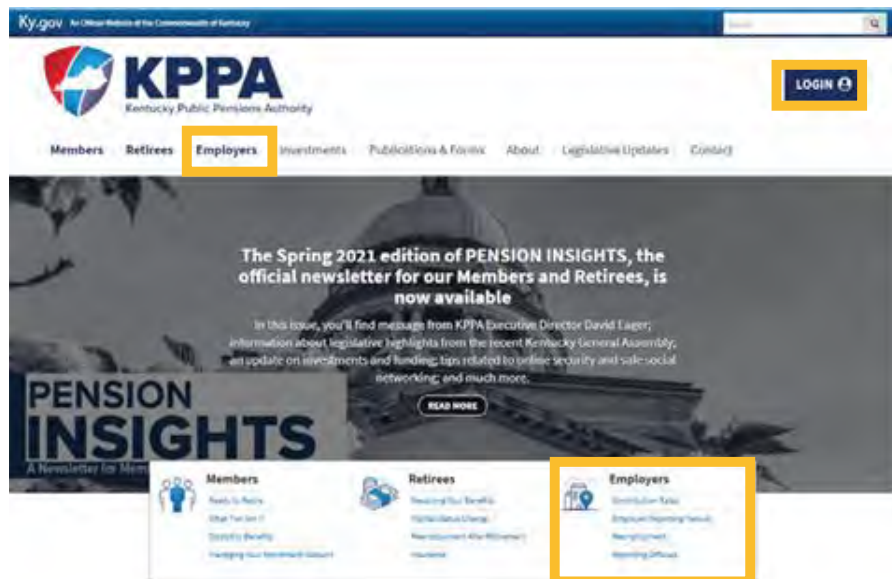
The [File Web Team](#), [KHRIS Team](#), and [School Board Team](#) can assist employers with questions about reporting, compliance, error resolution and other agency needs, such as training requests. Please contact your ERCE representative with any questions.

KPPA WEBSITE

Employers have many resources on the KPPA website at <https://kyret.ky.gov>. You can quickly navigate to the Employers section of our site by using the menu at the top or click on any link under Employers to go directly to a featured page. The **LOGIN** button at the top of the screen takes you to the [Employer Self Service \(ESS\)](#) login with just two clicks.



Check our website regularly for the latest employer news and training opportunities. You can also find [employer forms](#), [contribution rates](#), and [videos](#). The members section of the website has similar resources for employees.





EMPLOYER SELF SERVICE

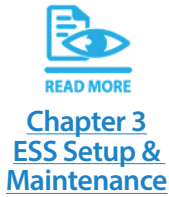
The ESS website is used for monthly reporting and provides several additional resources. Employers can find an employee’s participation date, calculate sick leave costs, report a death, register for seminars and submit forms online. Your Employer Administrator grants access for ESS users. There is no limit to the number of users each employer may set up. Once added as a user, you will be assigned a User ID, a password and a PIN.



EMPLOYER PIN

The employer PIN is required when contacting KPPA by phone and for certain transactions on ESS. The employer PIN serves as an additional security feature to protect your agency and your employees.

Read [Chapter 3](#) to learn more about ESS Account Setup and Maintenance.



SECURE EMAIL

KPPA is a covered entity under the Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH). Additionally, KPPA is required by state law to maintain its members’ account information and sensitive personal information in a confidential and secure manner. Accordingly, KPPA policy requires participating employers to use its secure email portal when emailing confidential and/or sensitive information, especially protected health information, to KPPA. The portal can be accessed at: <https://web1.zixmail.net/s/login?b=kyret>

The portal uses strong encryption to safeguard the confidentiality of email communications and greatly reduces the risk of costly disclosures that could put our members at risk of identity theft and other fraudulent activity.

Always use the portal when sending a confidential email to KPPA that contains sensitive data including, but not limited to, Social Security numbers, KPPA Member IDs, KPPA PINs, or any personally identifiable or health-related data. Never send confidential or sensitive personal information outside of the secure email portal. Confidential information sent in an unsecure email is an unauthorized disclosure of sensitive member information and KPPA or the agency responsible is required to notify the affected member(s) of the disclosure.



Please note that the portal should NOT be used for monthly reporting. The subject line of portal email is NOT encrypted; therefore, DO NOT type Social Security numbers, KPPA Member IDs, or other confidential information in the subject line.

The [Secure Email Portal User Manual](#) provides step-by-step instructions for using the portal.



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Kentucky Public Pensions Authority

CHAPTER 2

Employee Reporting

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Employee

EMPLOYER REPORTING, COMPLIANCE & EDUCATION

REVISED 07/2021

REPORTING REQUIREMENTS



NOTICE

Reporting and compliance may be different for [School Board](#) and [KHRIS](#) employers on some of the topics covered in this chapter.



Although not all employees are eligible to participate in systems operated by KPPA and have retirement contributions withheld, employers are required by [105 Kentucky Administrative Regulations 1:140](#) to report all employees in the monthly report.

The exceptions to this requirement are:

1. Employees who rejected participation when the employer initially joined CERS or KERS. This is a one-time occurrence for most agencies except Cities.
2. Full-time Mayor or City Council members who reject participation upon initial election to the position. These are the only positions allowed to elect or reject participation after an employer has joined CERS. Form 2012, Election or Rejection of Participation, is required.
3. KPPA-approved retired police officers who meet the qualifications and are returning to employment with a [City Police Department](#), [County Police Department](#), [County Sheriff Office](#), or [Post-Secondary Institution](#).
4. KPPA-approved retirees returning to a position of [School Resource Officer](#) through a school board, a contract between a local law enforcement employer and a school board, or the Kentucky State Police and a school board.
5. Employees simultaneously participating in and earning a full year of service credit with another state administered retirement program.
6. Approved independent contractors. Employers must send a copy of the contract to the KPPA Office of Legal Services to determine if the person qualifies under federal guidelines to be an independent contractor.
7. Volunteers paid a nominal fee. To constitute a nominal fee, the compensation earned by the volunteer cannot exceed \$500 per month, aggregated among all participating employers.
8. Employees who retired and were reemployed prior to August 1, 1998 and did not elect to begin a new account.
9. Student employees of public universities participating in KERS who are enrolled as full-time students in a course of study at the university and who are exempt from FICA withholding pursuant to United States Code Title 26.3121(b)(10) and 26 Code of Federal Regulations (CFR) Section 31.3121(b)(1)-2.
10. Student employees of public universities participating in KERS who are enrolled as full-time students in a course of study at the university and are classified as full-time students throughout the fiscal year pursuant to 29 CFR Section 519.2(a).

These specific groups should not be reported to KPPA.



Participating employers are required to notify KPPA when a current or former employee hired on or after August 1, 2000 is convicted by any state or federal court of a felony related to his or her employment. KPPA recommends that employers provide notice when felony charges against an employee related to employment are merely pending, and have not resulted in a conviction, so that KPPA staff can monitor the outcome of the criminal proceeding. Please contact your ERCE representative if you have any questions about reporting felony convictions.

RETIRED REEMPLOYED

 **PDF LINK**
[Reemployment
after Retirement
Handbook](#)

All members who retire from a system operated by KPPA must adhere to reemployment law. Failure to comply with [Kentucky Revised Statute 61.637](#) or [KRS 78.5540](#) upon reemployment with a participating agency will void the member's retirement and require repayment of all benefits. Please refer to our [Reemployment after Retirement Handbook](#) for more information.


MEMBER FORMS
[Form 6000](#)

PRIOR TO RETIREMENT

In general, Kentucky law prohibits a member from having a prearranged agreement, prior to his or her effective retirement date, to return to employment in any position with any participating agency. The member must certify on the [Form 6000, "Notification of Retirement"](#) that no prearranged agreement exists prior to retirement.

FOLLOWING RETIREMENT

Reemployment as an Employee with a participating agency: [Kentucky Revised Statute 78.5540](#), enacted by the General Assembly in 2021, and [KRS 61.590](#) and [61.637](#), amended by the General Assembly in 2019, deal with reemployment of a retiree with a participating agency. [Read More](#)

 **PDF LINK**
[Employee](#)

 **PDF LINK**
[Independent
Contractor/
Leased
Employee](#)

Reemployment as an Independent Contractor/Leased Employee with a participating agency: [Kentucky Revised Statute 78.5540](#), enacted by the General Assembly in 2021, and [KRS 61.590](#) and [61.637](#), amended by the General Assembly in 2019, deal with reemployment of a retiree as an independent contractor/leased employee with a participating agency. [Read More](#)

 **PDF LINK**
[Volunteer](#)

Reemployment as a Volunteer with a participating agency: [Kentucky Revised Statute 78.5540](#), enacted by the General Assembly in 2021, and [KRS 61.590](#) and [61.637](#), amended by the General Assembly in 2019, deal with service as a volunteer with a participating agency after retirement. [Read More](#)


STATUTE
[KRS 61.637](#)

Reemployment as an Elected Official with a participating agency: [Kentucky Revised Statute 78.5540](#), enacted by the General Assembly in 2021, and [KRS 61.590](#) and [61.637](#), amended by the General Assembly in 2019, provide that if an elected official retires from office, is reelected to the same office, and begins a new term within 12 months of retiring, this will constitute a prearranged agreement and his or her retirement will be voided.


STATUTE
[KRS 78.5540](#)

Mayors and Members of City Legislative Bodies: [Kentucky Revised Statutes 78.5540](#) and [KRS 61.637](#) deal with the retirement of Mayors and Members of City Legislative Bodies. If the member holding the position is at least 62 years of age and eligible to retire from the County Employees Retirement System (CERS), the member is not required to resign from his or her position as Mayor or Member of a City Legislative Body in order to begin drawing benefits. The member cannot accumulate any additional benefits after the member's effective retirement date, or he or she may forfeit his or her initial retirement benefits. The member does not have to resign as Mayor or as a Member of a City Legislative Body if the member has not participated in CERS prior to retirement, regardless of age. See [Kentucky Revised Statutes 61.637\(17\)\(f\)1 and 78.5540\(4\)\(f\)1](#).

OTHER INFORMATION

Required Break in Service: State law mandates that the required break in service is calculated using months from the time of retirement to the time of reemployment. For example, a member retiring from a nonhazardous position reemploying with a participating agency shall observe a three (3) calendar month break in service. Days are not considered when determining if the required break in service has been met.

Member's Age: The obligation to notify KPPA of employment or volunteer work for a participating agency within twelve (12) months of the member's effective retirement applies regardless of the age of the retired member. There is no exemption based on age.

Health Insurance: If a retired member with an initial participation date prior to September 1, 2008, has elected health insurance coverage offered through KPPA but later reemploys with a participating agency in a regular full-time position, the agency is required to reimburse KPPA for the single coverage health insurance contribution provided to the retiree. If a retired member with an initial participation date on or after September 1, 2008, reemploys with a participating agency in a regular, full-time position, the retired member will not be eligible for health insurance coverage offered through KPPA during the period of reemployment.

REEMPLOYMENT EXCEPTIONS

Kentucky law provides specific requirements for participating agencies reemploying retirees. If the retiree does not qualify for one of the exceptions outlined below and meets the definition of regular full-time pursuant to [Kentucky Revised Statute 61.510\(21\)](#) and [78.510\(21\)](#) they must be reported each month to KPPA as Retired/ Reemployed and the agency is responsible for paying employer contributions and any required insurance reimbursements.

There are currently five exceptions to the requirement that participating agencies remit employer contributions and any required insurance reimbursements for reemployed retirees in a regular-full-time position:

1. **Postsecondary Institution Employment of Retired Police Officer:** In 2019, the General Assembly passed legislation establishing new exceptions for participating postsecondary institutions that reemploy retired police officers. [Read More](#)
2. **School Resource Officer:** In 2018, the General Assembly passed legislation establishing a new exception for reemploying certain retirees as school resource officers, which is defined in [Kentucky Revised Statute 158.441](#). [Read more](#)
3. **County Employment of Retired Police Officer:** In 2018, the General Assembly passed legislation establishing an exception for participating county police departments that reemploy retired police officers. [Kentucky Revised Statute 70.291 to 70.293](#) outline these reemployment exceptions. [Read more](#)



[KRS 61.510\(21\)](#)

[KRS 78.510\(21\)](#)

 [PDF LINK](#)
[Postsecondary
Institution](#)

 [PDF LINK](#)
[School Resource
Officer](#)

 [PDF LINK](#)
[County Retired
Police Officer](#)

 **PDF LINK**
[City Retired
Police Officer](#)

 **PDF LINK**
[Sheriff Retired
Police Officer](#)

4. **City Employment of Retired Police Officer:** [Kentucky Revised Statute 95.022](#) outlines an exception for participating cities hiring retired police officers. [Read more](#)
5. **Sheriff Employment of Retired Police Officers:** [Kentucky Revised Statute 70.291 to 70.293](#) outlines reemployment exceptions for participating Sheriffs' offices hiring retired police officers. [Read more](#)

If the retiree does not qualify for one of the exceptions outlined above and does not meet the definition of regular full-time, he or she must be reported each month to KPPA as Retired/Reemployed in a Non-Participating status, therefore the agency is not responsible for paying employer contributions nor health insurance reimbursements.

PENSION SPIKING

Legislation passed in 2013 created [Kentucky Revised Statute 61.598](#), which requires KPPA to evaluate each retiring member's last five (5) fiscal years of employment to determine whether there was an increase in the member's creditable compensation by more than 10% between each fiscal year and the prior fiscal year. If there were any such increases in the retiring member's creditable compensation, KPPA then must evaluate whether the increase(s) meet certain statutory requirements. This is commonly referred to as pension spiking.

EMPLOYER PENSION SPIKING

For retirement dates of January 1, 2014 through June 30, 2017, the law required the last participating employer to pay for any additional actuarial costs resulting from pension spiking.

MEMBER PENSION SPIKING

In 2017, [Kentucky Revised Statute 61.598](#) was amended to establish a different process for pension spiking.

Under current law, KPPA reviews the last five fiscal years of employment for Tier 1 and Tier 2 members retiring on or after January 1, 2018. Any increase in salary earned after July 1, 2017 in excess of 10% from the immediately preceding fiscal year will be exempt from creditable compensation when calculating the member's retirement benefit, if the fiscal year is to be used in the member's final compensation. KPPA will refund member contributions and interest attributable to the reduction in creditable compensation back to the employer. KPPA will allocate the employer contributions to the appropriate system to offset the unfunded pension liability.


A member's final compensation will be adjusted unless the increase in creditable compensation by more than 10% is due to one of the following exemptions:

1. Bona Fide promotion or career advancement;
2. Lump sum payout for compensatory time at termination only;
3. Lump sum payout for alternate sick leave payments;
4. Increases in years where the member was on leave without pay in the prior fiscal year;
5. An increase due to overtime work and pay as the result of a state or federal grant, grant pass-through or a similar program that requires overtime as a condition or necessity of the employer's receipt of the grant;
6. An increase due to overtime work and pay required by a federal or state-declared emergency.



For retirement dates of July 1, 2021 and after, the 10% cap on creditable compensation growth will not apply when it results in a benefit change of less than \$25 per month. If there is a benefit change of \$25 or more per month due to pension spiking, the member's creditable compensation will be reduced by the appropriate amount to meet the new \$25 monthly threshold.

A Form 6487, Request for Member Pension Spiking Exemption Amounts, is mailed to the employer when a pension spike is identified. This form must be completed by the agency head or primary reporting official and returned to KPPA within the allotted time period.

 **PDF LINK**
[Quick Guide](#)
[Form 6487](#)

Please refer to the [Quick Guide to Completing Form 6487](#) for instructions on how to properly complete the form.

EECON
Employee
Contributions

HICON
Health Insurance
Contributions

ERCON
Employer
Contributions

CONTRIBUTION GROUPS

Contribution groups are used to validate employee contributions (EECON) and health insurance contributions (HICON) as well as to calculate employer contributions (ERCON) for each employee in a regular full-time position reported to KPPA. This designation allows these employees to be “organized” based on the different contribution groups. Contribution groups indicate system participation (KERS, CERS or SPRS), plan participation (Nonhazardous or Hazardous) and the required contributions (employee, health insurance and employer):

| CONTRIBUTION GROUP | | | | |
|--------------------|---|-------|-------|-------|
| CONTRIBUTION GROUP | DESCRIPTION | EECON | HICON | ERCON |
| Without HICON | Participation date in a state-administered retirement system prior to 9/1/2008. | Yes | No | Yes |
| With HICON | Participation date in a state-administered retirement system on or after 9/1/2008. | Yes | Yes | Yes |
| Cash Balance | Participation date in KERS, CERS, or SPRS on or after 1/1/2014. | Yes | Yes | Yes |
| Retired Reemployed | KERS, CERS, or SPRS retirees who returned to a regular full-time position on or after 9/1/2008. | No | No | Yes |
| Non-Participating | Employees classified in a non-participating status. | No | No | No |

Kentucky law provides that all employees in a regular full-time position with a participating agency contribute a percentage of their creditable compensation. Read more about creditable compensation in [Chapter 1](#). The amount the employee contributes is determined by their benefit tier as well as the classification of their position as hazardous or nonhazardous. Employees classified as hazardous contribute a different amount than employees classified as nonhazardous. Due to legislation passed during the 2008 Special Session of the General Assembly, employees with a participation date on or after September 1, 2008 contribute an additional, non-refundable, one percent (1%) health insurance contribution (HICON).



READ MORE
[Chapter 1:](#)
[KPPA](#)
[Information](#)

| EMPLOYEE CONTRIBUTION | | |
|-----------------------|--------------------|--|
| TIER | PARTICIPATION DATE | CONTRIBUTION |
| Tier 1 | Prior to 9/1/08 | Without HICON NHAZ 5%; HAZ 8% |
| Tier 2 | 9/1/08 - 12/31/13 | With HICON NHAZ 5% + 1% HICON HAZ 8% + 1% HICON |
| Tier 3 | 1/1/14 and after | With HICON NHAZ 5% + 1% HICON HAZ 8% + 1% HICON |





For Example:

| |
|---|
| An employee is hired by the city in a regular full-time nonhazardous position with a participation date after 9/1/2008. |
| ▼ |
| The employee is assigned to the CERS nonhazardous with HICON contribution group. |
| CNHZHI |
| ▼ |
| For this employee, KPPA will expect: |
| 5% EECON |
| 1% HICON |
| Required ERCON |

CNHZHI
CERS
Nonhazardous with Health Insurance contribution



For Example:

| |
|---|
| An employee is hired by the city in a seasonal position. |
| ▼ |
| The employee is assigned to the CERS nonhazardous non-participating contribution group. |
| CNHZNP |
| ▼ |
| For this employee, KPPA will expect: |
| 0% EECON |
| 0% HICON |
| 0% ERCON |

CNHZNP
CERS
Nonhazardous Non-participating

ESS
Employer Self Service

SELF SERVICE

LOGIN

The Download Member ID Module in Employer Self Service (ESS) allows employers to view and download contribution group information for employees hired in a participating [position status](#). This helps employers identify the contribution group in which a new member should be reported. Employers can use this information during initial payroll setup to ensure that correct contribution rates are withheld from the member's paycheck.

To view all contribution groups, refer to [Appendix C: Contribution Groups](#).



[KRS 61.510\(21\)](#)
[KRS 78.510\(21\)](#)



READ MORE

[Chapter 6:](#)
[School Boards](#)

POSITION STATUS

There are both statutory and report-based position statuses. Statutory positions are specifically defined in [Kentucky Revised Statutes 61.510\(21\)](#) and [78.510 \(21\)](#). Report-based positions have been established for averaging and service credit validations to be accurately performed for an employee assigned to one of these statuses.

STATUTORY POSITION STATUSES

Regular Full Time (non-school board): Positions in KERS, CERS, and SPRS that average one hundred (100) or more hours per month over a calendar or fiscal year. This is a participating position.

Regular Full Time (school board): Classified school board employees are required to average eighty (80) or more hours per month over actual days worked within a school year. Employees classified under this status must have contributions withheld from their creditable compensation unless they are retired from KERS, CERS, or SPRS and reemployed after September 1, 2008. Generally, if the employee averages four (4) or more hours per day, they should be considered Regular Full Time. This is a participating position.

Seasonal: Employees classified under seasonal status should not have contributions withheld from their creditable compensation.

A position is considered seasonal if:

- the position is temporary in duration,
- the position coincides in duration with a particular season or seasons of the year,
- the position may recur regularly from year to year, and
- the position is limited to nine (9) months*

**An exception is classified school board positions which are limited to six (6) months.*



Effective July 1, 2013, the time limit for a seasonal status is based on a fiscal year (July 1-June 30). The months worked in a seasonal status do not have to be consecutive during the fiscal year, however, they cannot exceed the limit. KPPA alerts the employer when the seasonal period is about to expire. Continuing to report an employee beyond the allowable seasonal period will result in reporting errors.

Temporary: Temporary positions are non-renewable positions in KERS not to exceed nine (9) months and positions in CERS not to exceed twelve (12) months. Employees classified under this status should not have contributions withheld from their creditable compensation.

Probationary: Positions in CERS not to exceed twelve (12) months and must be universally administered by the employer for new employees. These positions are not renewable for the same employee, unless the employee has not been employed with the participating employer for a period of at least twelve (12) months. CERS employers may designate a period of probation for all employees not to exceed twelve (12) months. Employees classified under this status should not have contributions withheld from their creditable compensation.

Probationary periods in KERS and SPRS are required to be reported as regular full-time.

Emergency: Positions in KERS, SPRS and CERS limited to thirty (30) working days and not renewable. Employees classified under this status should not have contributions withheld from their creditable compensation.

Retired Police Officer: Certain positions that have been preapproved by KPPA as exempt from paying employer contributions and health insurance reimbursements.

Interim: Positions in KERS established for a one-time or recurring need, not to exceed nine (9) months. Employees classified under this status should not have contributions withheld from their creditable compensation.

Part Time: Positions in KERS and CERS which may be permanent but require less than a calendar or fiscal year average of one hundred (100) hours* of work per month. Use this position status if the employee has a set work schedule. Employees classified by an employer as part-time but who meet the definition of regular, full-time per [Kentucky Revised Statutes 61.510\(21\)](#) and [78.510\(21\)](#) must have salary and contributions reported.

**For school board employees, these are positions that require an average of less than 80 hours per month over actual days worked in a school year. Part-time classified positions should be reported with contract days.*



If an employee is working more than one part-time or full-time position for more than one employer in the same system, a combination of hours will be used to determine eligibility per [Kentucky Revised Statute 61.680\(6\)](#).

Volunteer: Position with a participating employer receiving no compensation for services rendered, except for reimbursement of actual expenses and/or payments of a nominal fee for the cost of performing the voluntary services.

Independent Contractors: Individuals working as independent contractors should not be included on monthly reporting to KPPA, however effective Fiscal Year 2022, quasi-governmental employers are required to supply information to KPPA regarding their contract employees on a fiscal year basis. The Internal Revenue Service (IRS) sets specific guidelines which must be met before an individual can be classified as an independent contractor for tax purposes. If the individual is not classified as an independent contractor for reporting income to the IRS, the individual cannot be exempt from retirement coverage.



[KRS 61.510\(21\)](#)

[KRS 78.510\(21\)](#)

[KRS 61.680\(6\)](#)



Contracts must be submitted to our Office of Legal Services for review before the employee can be classified as an independent contractor.

REPORT-BASED POSITION STATUSES

Report-based positions have been established for averaging and service credit validations to be accurately performed for an employee assigned to one of these statuses.

Regular Full Time Less Than 12 Months: Positions in KERS or CERS that are held by regular full-time employees who do not work 12 months per year but are paid over 12 months, excluding classified employees of local school boards. Some examples include head start employees employed by community action agencies and school nurses employed by local health departments.

Intermittent: Position status for those employees who receive creditable compensation which must be reported to KPPA, but who maintain a sporadic work schedule and may not earn wages every month.



Substitute classified school board employees who meet the above requirement must be reported as intermittent. Please read [Chapter 6](#) for more information.



[READ MORE](#)

[Chapter 6:
School Boards](#)

JOB POSITION



KHRIS employers can only report the following positions: County Attorney Employee, General Assembly Employee, Constitutional Officers, Sheriff, Police, Jailer, and Other.

Every employee reported to KPPA is assigned a specific job position. Hazardous duty employees have specific job titles that should be reported each month. Certain nonhazardous positions have special rules or regulations that apply and the employees in these positions must have the appropriate job position reported.



Non-instructional Positions: Colleges and universities that participate in KERS should only report employees who are in non-instructional positions. Non-instructional positions are all positions other than (a) instructional staff responsible for teaching and (b) administrative positions included in the Teachers' Insurance and Annuity Association (TIAA) or the [Teachers' Retirement System](#). Colleges and universities with questions regarding whether an employee is in a non-instructional position should contact their ERCE representative for assistance. See [Kentucky Revised Statute 61.520](#).



Mayors, City Council and City Manager: Upon initial election of a city official, the reporting official of the city must determine whether or not the employee is full-time under statute. It is the responsibility of the employer to determine full-time status. Part-time city elected officials should still be reported to KPPA, but will utilize a non-participating contribution group.



Under the provisions of [Kentucky Revised Statute 78.540](#), mayors and members of city legislative bodies, who are considered fulltime, may decline membership in CERS prior to their participation by submitting Form 2012, Election or Rejection of Participation. Any full-time Mayor or City Council member who rejects participation should not be reported to KRS. In addition, if the mayor or city council member initially rejects participation in CERS, he or she can later elect to participate.



Cities utilizing a city commission should report those employees using the "city council" job position.

Further, the statute provides that city managers and other appointed local government executives who participate in a retirement system, other than Social Security, which operates in more than one state (e.g. ICMA), may decline prior to their participation. If these employees decline participation, they should not be reported to KPPA.



Employees can decline participation but at a later date elect to participate in CERS.

Magistrate/Commissioner: Upon initial election of a magistrate, the reporting official of the fiscal court must determine whether or not the employee is full-time under statute. It is the responsibility of the employer to determine full-time status.

Magistrates may either be classified as part-time or full-time on an individual basis. If a magistrate is classified as full-time, the appropriate retirement contributions should be withheld and reported to KPPA. If a magistrate is part-time, the magistrate should be reported to KPPA in a non-participating contribution group and should not have contributions withheld.

Coroner/Deputy Coroner: Effective July 15, 1984, legislation was passed to include the coroner of all participating counties in the definition of employee, so that they became eligible to participate in CERS, regardless of whether the coroner worked enough hours to qualify as a regular full-time officer per [Kentucky Revised Statute 78.510\(6\)](#).

Deputy Coroners must meet the definition of a full-time employee to be eligible for participation in CERS. A deputy coroner should be reported to KPPA with a job position of "Other." Please refer to the Position Status section for the definition of a full-time employee.

County Attorney Employee: Effective July 16, 1992, all full-time employees of a County Attorney Office who were paid from sources of funds outside a Fiscal Court's control were required to participate with either CERS or KERS. All employees who work in a County Attorney Office should be reported to KPPA with the job position "County Attorney Employee", regardless of the employing agency.

The County Attorney is required to determine which system an employee will participate in based upon the employee's job duties. Form 2110, Retirement System Determination - County Attorney Employees, should be completed and filed with KPPA as required by [105 Kentucky Administrative Regulation 1:250](#) and [Kentucky Revised Statute 78.5302](#). The following criteria provide a basis for the determination:

- If the employee's job duties are related to the prosecution of criminal cases in the district or circuit courts of the Commonwealth, the employee should participate in KERS.
- If the employee's job duties are related to the legal representation of the fiscal court, its officers or employees, or other elected county officers in any civil or administrative proceeding in state or federal courts and administrative agencies, the employee should participate in CERS.
- Employees who are already participating in one of the systems operated by KPPA will continue to participate in that system and wages paid by the County Attorney will be reported under that system.

For a copy of the Form 2110, please contact your ERCE representative or access a copy from the available forms list in Employer Self Service.



STATUTE

[KRS 78.510\(6\)](#)



REGULATION

[105 KAR 1:250](#)



STATUTE

[KRS 78.5302](#)



Contact ERCE



[KRS 61.510\(43\)](#)
[KRS 78.510\(40\)](#)



[KRS 61.510\(5\)](#)

Volunteer: Effective July 1, 2016, if a volunteer receives a greater than nominal fee payment from an employer participating in CERS or one participating in KERS or SPRS, then that volunteer is required to have the compensation reported as an employee. Nominal fees are defined in [Kentucky Revised Statute 61.510\(43\)](#) and [78.510\(40\)](#) as compensation earned for services as a volunteer that do not exceed a payment of \$500 per month, aggregated among all participating employers.

Master Commissioner: Master Commissioners began participating in KERS by Executive Order effective July 1958. [Kentucky Revised Statute 61.510\(5\)](#) requires an individual to be a regular full-time employee in order to participate with KERS. Newly appointed Master Commissioners should contact the Employer Reporting, Compliance and Education Division for information regarding participation. All employees of the Master Commissioner's office should be reported to KPPA with the job position "Master Commissioner". The employer contributions for Master Commissioners are paid by the Administrative Office of the Courts and not the Master Commissioner's office. Master Commissioners and their employees are still responsible for reporting all contribution detail information and appropriate employee contributions to KPPA each month. For each of these employee records, the "Employer Paid ERCON" field should be marked as No.

General Assembly Employee: Assistants employed by the General Assembly who meet the following qualifications may be eligible for service as a regular full-time employee: (a) The assistant was employed by the General Assembly for at least one (1) regular legislative session prior to July 13, 2004, (b) the assistant elects to participate in KERS, (c) the assistant serves for at least six (6) regular legislative sessions, and (d) the assistant averages 100 hours of work per month.



The assistant will only receive service credit for the months actually worked that average the required 100 hours.

Once the assistant has met these qualifications, the assistant and the employer will be billed for omitted contributions for all previous regular sessions. Additionally, once the assistant has met these qualifications, the employer must thereafter withhold employee contributions, report employee and employer contributions to KPPA, and report the required information to KPPA for the assistant during all future regular and special sessions. All assistants employed by the General Assembly for the first time after July 13, 2004 are designated as interim employees.



[KRS 6.150](#)

Constitutional Officers: The term "Constitutional Officers" refers to certain General Assembly positions elected by the House and the Senate pursuant to [Kentucky Revised Statutes 6.150](#), including chief clerk, assistant clerk, enrolling clerk, sergeant-at-arms, doorkeeper, pages and cloakroom keepers. The Legislative Research Commission reporting official should communicate directly with designated KPPA staff concerning the appropriate reporting for these "Constitutional Officers".



[KRS 61.510\(10\)](#)

[Kentucky Revised Statute 61.510\(10\)](#) specifies that members, officers, and employees of the General Assembly will be credited with a month of service for each month the position is occupied.

Nonhazardous Public Safety Officer: The following nonhazardous positions may qualify for special treatment under IRS regulations and are required to be classified accordingly:

- **Jailer:** To be used for nonhazardous jail employees
- **Sheriff:** To be used for nonhazardous sheriff employees who provide police protection
- **Police:** To be used for nonhazardous police employees who provide police protection
- **Fire:** To be used for nonhazardous employees who provide firefighting services
- **EMS:** To be used for nonhazardous employees who provide emergency medical services



[Form 4527](#)



The member will need to complete the [Form 4527, Certification by a “Qualified Public Safety Employee” and Request for an Exception to the 10% Early Distribution Penalty in IRC Section 72\(t\)](#).

Other: This job position should be used for all nonhazardous employees who should not be classified into one of the above specific positions.

HAZARDOUS DUTY COVERAGE



[KRS 61.592\(1\)\(a\)](#)
[KRS 78.5520\(1\)\(a\)](#)
[KRS 196.167\(3\)\(b\)](#)

Certain employers have positions that may qualify for hazardous duty coverage. It is not mandatory that employers participate under Hazardous Duty Coverage, however, employers must request hazardous duty coverage for these positions.

According to [Kentucky Revised Statute 61.592\(1\)\(a\) and 78.5520\(1\)\(a\)](#) "Hazardous Position" for participating KERS employees, as well as CERS employees who began participating before September 1, 2008, means:

Any position whose principal duties involve active law enforcement, including the positions of probation and parole officer and Commonwealth detective, active fire suppression or prevention, or other positions with duties that require frequent exposure to a high degree of danger or peril and also require a high degree of physical conditioning; and positions in the Department of Corrections in state correctional institutions and the Kentucky Correctional Psychiatric Center with duties that regularly and routinely require face-to-face contact with inmates; and positions of employees who elect coverage under [Kentucky Revised Statute 196.167\(3\)\(b\)2](#) and who continue to provide educational services and support to inmates as a Department of Corrections employee.



[KRS 78.5520\(1\)\(b\)](#)
[KRS 61.315\(1\)](#)

According to [Kentucky Revised Statute 78.5520\(1\)\(b\)](#) "Hazardous Position" for employees who begin participating in CERS on or after September 1, 2008 means:

Police Officers and Firefighters as defined in [Kentucky Revised Statute 61.315\(1\)](#), paramedics, correctional officers with duties that routinely and regularly require face-to-face contact with inmates, and emergency medical technicians if: the employee's duties require frequent exposure to a high degree of danger or peril and a high degree of physical conditioning; and the employee's duties are not primarily clerical or administrative.



[KAR Chapter 105](#)

In addition to the amended definition of hazardous duty as listed above, [105 Kentucky Administrative Regulation 1:130](#) requires that any CERS employer desiring to provide hazardous duty coverage for employees who begin participating in CERS on or after September 1, 2008, petition the CERS Board of Trustees to reestablish hazardous duty coverage for all positions.

Until the CERS Board of Trustees has approved hazardous duty coverage for a particular position effective after September 1, 2008, each employee who begins participating in CERS on or after September 1, 2008 MUST be reported as nonhazardous.

If an employee began participating in CERS prior to September 1, 2008, the employee should be reported as hazardous if their position was approved by as a hazardous duty position prior to September 1, 2008. Please remember this will only apply for those employees who have previously participated in CERS, not KERS or SPRS.

APPLY FOR HAZARDOUS COVERAGE



Contact ERCE

Before an agency can offer Hazardous Duty Coverage to its employees, the appropriate system's Board of Trustees must approve the position(s) as hazardous. Employers interested in applying for hazardous duty coverage should contact their ERCE representative to initiate the process. An ERCE representative will explain the petitioning process and provide the hazardous duty packet, which includes detailed instructions and forms that must be completed and returned to our office.



NOTICE

The process for applying is different for KERS and CERS. To learn more about how to apply, please refer to the system your agency participates in as the requirements vary.

Please note that contribution rates for hazardous duty may be higher for both the employer and the employee.



VIDEOS

[CERS](#)
[HAZARDOUS](#)
[PETITION](#)
[TUTORIAL](#)

CERS employers must take the following steps to apply for Hazardous Duty Coverage:

1. **Adopt Resolution:** The agency must adopt a resolution stating the intention to transfer eligible positions to hazardous coverage and the desired effective date of hazardous coverage.
2. **Complete Form 7011, HP-1, Hazardous Participation Certification (CERS):** Form 7011 certifies that the position(s) involved meet the definition and that the agency has verified sufficient funds have been budgeted for employer contributions.
3. **Complete Job Description(s):** The agency must provide a Job Description for each position being requested for Hazardous Duty Coverage.
4. **Complete Form 7025, Position Questionnaire:** A Position Questionnaire must be completed on each position being requested for Hazardous Duty Coverage.
5. **Complete Form 2011, HP-2, Hazardous Position Certification:** This form certifies the effective date the employee began working in the position and when the employee had a physical examination.



[KERS
HAZARDOUS
PETITION
TUTORIAL](#)

KERS employers must take the following steps to apply for Hazardous Duty Coverage:

- 1. Complete Form 7013, HP-1, Hazardous Position Certification (KERS):** Form HP-1 certifies that the position(s) involved meet the definition and that the agency has verified sufficient funds have been budgeted for employer contributions.
- 2. Letter from the Governor’s Office for Policy and Management:** Requests made by KERS employers reported by the Personnel Cabinet must be accompanied by a letter from the Governor’s Office for Policy and Management stating that funds have been allocated for hazardous contribution rates.
- 3. Listing of Position/Employee Information:** Provide a list of all positions to be covered under hazardous duty. Include the name, Social Security Number, and position title of all individuals who are currently employed in positions to receive hazardous duty coverage.



For KERS employers reported by the Personnel Cabinet, the list of positions should include the unique eight-character Job ID used by the Personnel Cabinet to identify each position. The eight-character Job ID for the position being presented for hazardous coverage cannot be the same as a Job ID that will continue to identify employees participating as nonhazardous.

- 4. Complete Job Description(s):** The agency must provide a Job Description for each position being requested for Hazardous Duty Coverage.
- 5. Complete Form 7025, Position Questionnaire:** A Position Questionnaire must be completed on each position being requested for Hazardous Duty Coverage.
- 6. Complete Form 2011, HP-2, Hazardous Position Certification:** This form certifies the effective date the employee began working in the position and when the employee had a physical examination.

DATE OF COVERAGE

The Board of Trustees for the appropriate system reviews all hazardous coverage petitions to determine if the positions meets the requirements to be reported as hazardous duty. Your ERCE representative will provide the date that the completed hazardous packet must be returned in order for it to go before the Board. For KERS positions, the hazardous effective date will be the first day of the month following the meeting. For CERS positions, the hazardous effective date will be the first day of the month following the meeting unless a different date is approved by the Board of Trustees of the appropriate system. [View the meeting calendar.](#)



[Meeting
Schedule](#)

HAZARDOUS CONVERSION SERVICE PURCHASE

Per [Kentucky Revised Statutes 61.592\(3\)\(c\) and 78.5520\(3\)\(a\)](#), if an employer participated in a system prior to adopting hazardous duty coverage, the employer may pay the cost of converting nonhazardous service to hazardous service for members employed in an approved hazardous position who have a participation date prior to January 1, 2014. Employers interested in making this service purchase on behalf of an employee should contact their ERCE representative to discuss next steps.



[KRS 61.592\(3\)\(c\)
KRS 78.5520\(3\)\(a\)](#)

SICK LEAVE PROGRAMS



The administration of sick leave programs is dictated by state law. Employers must comply with these guidelines and uniformly administer their sick leave program.



[KRS 61.546](#)

[KRS 78.616](#)

The Sick Leave programs established by [Kentucky Revised Statute 61.546](#) and [78.616](#) allow an employee who is a Tier 1 or Tier 2 member to convert unused sick leave to additional months of service at the time of retirement.



Sick leave cannot be used to calculate retirement benefits for Tier 3 members who began participation in KERS, SPRS, or CERS on or after January 1, 2014.

LEAVE PROGRAMS

KPPA recognizes two sick leave programs relevant to retirement: Standard Sick Leave and Alternate Sick Leave.

Most KERS and SPRS employers are required to participate in the Standard Sick Leave Program. Only KERS quasi-governmental agencies have the option to elect participation in the Standard Sick Leave Program.

CERS employers can choose to participate in the Alternate Sick Leave Program, the Standard Sick Leave Program, or neither.

STANDARD SICK LEAVE PROGRAM

This program allows employees to convert their hours of unused sick leave to additional months of service credit at the time of retirement.

KERS AND SPRS EMPLOYERS – PARTICIPATION AND SERVICE CREDIT

Since July 14, 1984, SPRS and KERS employers reported by the Personnel Cabinet are required to participate in the Standard Sick Leave Program and universally administer the program based on statute.

At retirement, the member's unused sick leave hours and hours worked per day determine the sick leave service credit awarded to the member's account. For more information on converting hours to months of service credit, please refer to the Sick Leave Chart. Tier 1 members may use unlimited sick leave toward retirement and insurance eligibility. Tier 2 members may receive a maximum of 12 months of service credit for unused sick time. The sick leave service credit for Tier 2 members does not count toward retirement eligibility or health insurance benefits.

[Read more about Tier 1 Sick Leave Credit](#)

[Read more about Tier 2 Sick Leave Credit](#)

[PDF LINK](#)
[Sick Leave Chart](#)



CERS AND KERS QUASI-GOVERNMENTAL EMPLOYERS – PARTICIPATION AND SERVICE CREDIT

CERS and KERS quasi-governmental employers can opt to join the program by adopting Form 7030, Order of Participation Standard Unused Sick Leave Program. Employers interested in joining the program should contact their ERCE representative to request this form.

Once an employer elects to participate, they must universally administer the program based on their personnel policy in conjunction with statute. An employer sets the number of sick leave hours that the employee may accrue and/or use at termination in their personnel policy; but the employer’s policy must be on record with KPPA stating the limitations and allowances.

At retirement, the reported unused sick leave hours and hours worked per day determine the sick leave service credit awarded to the member’s account. For more information on converting hours to months of service credit, please refer to the Sick Leave Chart. Tier 1 members may use unlimited sick leave toward retirement and insurance eligibility. Tier 2 members may receive a maximum of 12 months of service credit for unused sick time. The sick leave service credit for these members does not count toward retirement eligibility or health insurance benefits.

 [PDF LINK Sick Leave Chart](#)



[Read more about Tier 1 Sick Leave Credit](#)

[Read more about Tier 2 Sick Leave Credit](#)

Employers should contact their ERCE representative to discuss adopting a Sick Leave Program or making changes to their personnel policy.



Once an employer participates in the Standard Sick Leave Program, they cannot exit the program. CERS and KERS quasi-governmental employers may alter their personnel policies, but should do so with assistance from their ERCE representative to fully understand the statutory requirements.

ESS
Employer
Self Service

SELF SERVICE



KERS AND SPRS EMPLOYERS – COST TO EMPLOYERS

On July 1, 2010, legislation amended the statute for all KERS and SPRS employers, requiring the last participating employer to pay the full cost of any sick leave credited to the member’s account. SPRS and KERS employers reported by the Personnel Cabinet, will receive a Sick Leaving Billing Invoice in ESS following the post retirement audit of the member’s account.

CERS AND KERS QUASI-GOVERNMENTAL EMPLOYERS – COST TO EMPLOYERS

CERS employers participating in a sick leave program will automatically be billed up to a maximum of six (6) months of the member’s sick leave balance. Accumulated sick leave in excess of six (6) months will be added to the member’s service credit if the member or employer pays the additional cost. The employer can split the cost of the additional sick leave with the employee, so that the employer and employee each pay fifty percent (50%), or the employer can pay the entire cost. Please contact your ERCE representative for guidance concerning this process.



[Contact ERCE](#)



KERS quasi-governmental employers were affected by the legislative change in July 2010 that requires the last participating employer to pay the full cost of any sick leave credited to the member's account in KERS.

CERS and KERS Quasi-Governmental employers will receive a Sick Leaving Billing Invoice in ESS following the post retirement audit of the member's account.

CALCULATING THE COST TO EMPLOYERS

Three components determine the cost of the sick leave for each retired employee:

UNUSED SICK LEAVE x FINAL COMPENSATION x SERVICE PURCHASE FACTOR

Unused Sick Leave: Unused sick leave is the member's remaining balance at retirement. KPPA converts the remaining balance from months to years to calculate the cost.

Final Compensation: Final compensation is the salary average used in the formula to determine the retirement benefits based on the member's tier.

[Read more about Tier 1 Final Compensation](#)

[Read more about Tier 2 Final Compensation](#)

Service Purchase Factor: At least every five (5) years, KPPA's actuary conducts an Experience Study to compare actual experience to what has been expected (the assumptions). Based on this study, actuarial factors are adjusted or reaffirmed. Actuarial factors are used in the administration of benefits to determine the amount of retirement benefits to be paid.

The service purchase factor is used to calculate the cost of sick leave. This factor accounts for an employee's age, years of service credit, benefit factor, final compensation, and the amount of unused sick leave service. Even if two members have the same final compensation and amount of unused sick leave, individual differences in the other factor components may cause a substantial difference in the sick leave cost.



Employers who participate in the Standard Sick Leave Program can use the Sick Leave Cost Calculator in ESS to calculate an estimate of the employer's liability for a current or former employee's sick leave at retirement

REPORTING TO KPPA

When an employee has an Employment End Reason of termination, death or retirement in the monthly detail report, the following fields should be reported: Accrued Sick Leave Hours and Sick Leave Accrual Rate. Please contact your ERCE representative if you have questions or need assistance.



ALTERNATE SICK LEAVE PROGRAM



NOTICE

The Alternate Sick Leave Program is only available to CERS employers.

The Alternate Sick Leave program allows a CERS employer to compensate an employee for as many unused sick leave days as the employer's personnel policy provides. The employer must withhold and submit employer and employee contributions and report it as a separate record on the Monthly Report.

CERS EMPLOYERS – PARTICIPATION AND SERVICE CREDIT

CERS employers can join the program by adopting the Form 7030, Order of Participation Alternate Unused Sick Leave Program. Once an employer elects to participate they must universally administer the program based on their personnel policy in conjunction with statute. An employer sets the number of sick leave days that their employees may accrue and/or use at termination in their personnel policy; but the policy must be on record with KPPA stating the limitations and allowances.

The money paid to the member for their unused sick leave is used in determining final compensation and the service is also used to increase the member's service credit when the member retires. For more information on converting days to months, please refer to the Sick Leave Chart. Sick leave service credit for Tier 1 members counts toward retirement eligibility and health insurance benefits. Tier 2 members may receive a maximum of 12 months of service credit for unused sick time. The sick leave service credit for these members does not count toward retirement eligibility or health insurance benefits.

 [PDF LINK](#)
[Sick Leave Chart](#)



[Read more about Tier 1 Sick Leave Credit](#)

[Read more about Tier 2 Sick Leave Credit](#)

CERS employers should contact their ERCE representative to discuss adopting a Sick Leave Program or making changes to their personnel policy.



Once an employer participates in the Alternate Sick Leave program, they cannot exit the program. CERS employers may alter their personnel policies, but should do so with assistance from their ERCE representative to fully understand the statutory requirements.

CERS EMPLOYERS – COST TO EMPLOYERS

There is no additional cost outside of the direct payment to the employee and contributions submitted to KPPA for the sick leave payment.

**EECON
Employee
Contributions**

**HICON
Health Insurance
Contributions**

**ERCON
Employer
Contributions**

REPORTING TO KPPA

At the time the member terminates employment, the employer must compensate the employee for as many unused sick leave days as it is the uniform policy of the employer to allow. Report this payment on the detail monthly report as a separate record from the employees' regular wages with a Payment Reason of Alternate Sick Leave Payment, making sure to withhold and submit the required EECON, HICON and ERCON. This record must also contain an Employment End Date; Employment End Reason of termination, death, or retirement; and the required Accrued Sick Leave Days and Sick Leave Accrual Rate fields must be completed. Please contact your ERCE representative if you have questions or need assistance.

In cases where an employee terminated employment prior to September 2011, a Form 6500, Sick Leave Authorization, will be sent to the employer to certify the member's accumulated unused sick leave hours at the time the employee terminated their employment with the agency.

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Kentucky Public Pensions Authority

CHAPTER

3

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REVISED 07/2021

Free

EMPLOYER REPORTING, COMPLIANCE & EDUCATION

OVERVIEW



The Employer Self Service (ESS) website provides access to an employer's online account and monthly reporting modules. The Agency Head must submit [Form 7071, Employer Self Service Employer Administrator Account Creation Request](#), to KPPA to designate an Employer Administrator. Each agency's Employer Administrator completes the setup for each ESS user. To log in to ESS, a user must have a valid user ID and password.

Once the Employer Administrator grants a new user access, the user must first log in to KPPA's secure email portal to retrieve the user ID, password and Personal Identification Number (PIN). For step-by-step instructions on the initial login process, please refer to the [First Time Log In to Employer Self Service guide](#). After signing in to ESS, a user will have access based on the security role set by the Employer Administrator.

It is imperative that all users safeguard their ESS credentials. This means credentials should NEVER be shared with other ESS users, including coworkers.

Required Fields

All information that must be provided by the user is designated with a red asterisk.

Security Timer

Once the user has signed in, a security timer begins. The timer displays in the bottom left-hand corner of the screen. The timer will reset when the user performs certain actions. After 15 minutes with no activity, the session will time out and the ESS user will be required to log in again.

ESS Training Videos

Several training videos are published explaining how to register and use ESS:

- [Registering for Employer Self Service](#)
- [Guide to the Secure Email Portal](#)
- [Update a Password](#)
- [Update PIN](#)
- [Update a Security Question](#)
- [Add a Contact Person](#)
- [Edit a Contact Person](#)
- [Delete a Contact Person](#)
- [Add an Agency Address](#)
- [Edit an Agency Address](#)
- [Delete an Agency Address](#)
- [Download Member ID](#)
- [Viewing and Paying Invoices](#)

Visit our website at <https://kyret.ky.gov/Employers> for employer announcements, additional videos and training resources.

TABLE OF CONTENTS

LOG IN TO ESS



RECOMMENDED BROWSER
Most Recent Version of Microsoft Edge

STEP 1

Launch your internet browser and navigate to the KPPA website at <https://kyret.ky.gov>. Click **LOGIN** and click on **Employer Login**.

The screenshot shows the KPPA website interface. At the top right, there is a blue 'LOGIN' button. Below the navigation menu, the 'Login' section is highlighted. Under 'Webinars', there is a link to 'Webinars and Videos page'. Three main service areas are displayed: Member Self Service, Retiree Self Service, and Employer Self Service. Each area has a list of services and a corresponding login button. The 'EMPLOYER LOGIN' button is highlighted with a yellow border.

Member Self Service

- Apply for Retirement
- Upload Documents
- Update Contact Information
- Request an Account Balance Letter
- Calculate Retirement Estimates
- Estimate Costs to Purchase Eligible Service
- View Annual Statements

MEMBER LOGIN >

Retiree Self Service

- Update Contact Information
- Change Tax Withholdings
- Maintain Direct Deposit Information
- View 1099 R
- Update Mailing Address
- Submit Health Insurance Application during Open Enrollment

RETIREE LOGIN >

Employer Self Service

- Submit Your Monthly Report
- Change Your Payment Accounts
- Give Employees Online Access
- Estimate Sick Leave Cost
- Download New Member Information
- Pay Outstanding Invoices

EMPLOYER LOGIN >

KPPA
Kentucky Public Pensions Authority

Employer Self Service [Home](#)

Log in to your account

User ID

Password

Save ID
Consider unchecking if on shared device

Login

Need to register? Please contact your administrator or a KPPA representative.

[Forgot User ID](#)

[Forgot Password](#)

Note: The information contained in this site is available via a secure connection.

[Members log in here >](#)

Use Employer Services to:

- Submit your monthly report
- Change your payment accounts
- Give employees online access
- Estimate sick leave cost
- Download new member information
- Pay outstanding invoices

STEP 2

To log in, enter the user ID and password and click

Login



If you attempt to log in three times unsuccessfully, your account will be locked. To reset your password and unlock your account, contact your Employer Administrator.

Upon initial login, the ESS user will be required to change the temporary password, change the temporary PIN, and select and answer a security question. The user must complete these steps before accessing ESS. After creating ESS credentials, users can click [Forgot Password](#) or [Forgot User ID](#) and answer their security question to reset their ESS Password or retrieve their User ID.

Once an ESS user has logged in, the [Home](#) page displays. Not all menu options will be available to all users because the security role assigned to each user determines what the user can access. For example, the [Admin](#) menu only displays to ESS users with an Employer Administrator role.

| HOME | REPORT | SERVICES | ACCOUNT | ADMIN |
|--|---|--|--|---|
| This is the first page a user sees in ESS. | Enter Report Details or Upload Detail File • Submit your monthly detail report | Download Member ID • Find contribution groups for new employees and/or download Member IDs from KPPA | Payment Accounts • Set up payment accounts for EFT and/or e-check | Manage Users • Only available to users in the Administrator role • Used to add users, unlock user accounts, reset passwords and PINs, and deactivate users |
| | Submit Monthly Summary • Submit your monthly summary and electronic payment | Sick Leave Cost Calculator • Only available to employers who participate in the Standard Sick Leave program for budgetary purposes | Office Locations • Stores all locations for a particular employer | |
| | Monthly Packets • Includes items from previous monthly reports that need to be reviewed | Death Notice • Report the death of a current or former employee | Contact Persons • Lists all agency personnel who KPPA may contact | |
| | Invoices • View and pay invoices | Seminars • Register for upcoming employer training sessions | Change Password • Update password for ESS | |
| | Supplemental Report Details (County Fee Agencies Only) • Submit additional monthly report details | | Change Security Question • Update Security Question for password hints | |
| | Adjustments (KHRIS Agencies Only) • Make non-monetary adjustments to previously reported records | | Change PIN • Update PIN for ESS | |
| | | | | |



Some options are only available to certain agencies based on reporting requirements. For example, only county fee agencies will see the Supplemental Report Details option in the [Report](#) menu.

CHANGE PASSWORD

First time users will be required to reset their temporary password issued by KPPA immediately upon initial log in. The ESS user must use their password to log in to ESS.

Valid ESS passwords:

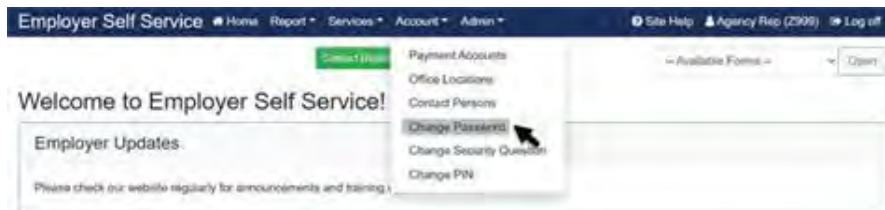
- Must be between 8 and 16 characters long
- Include at least one letter
- Include at least one number
- Include at least one special character
- Are case sensitive
- Should not contain spaces

The following characters are permissible:

- Capital and lower case Aa-Zz
- Numbers 0-9
- Special characters @ # ! % \$

STEP 1

ESS users can change the password on their account by selecting **Change Password** under the **Account** menu.



STEP 2

Complete all required fields:

The screenshot shows the 'Change Password' form. At the top, there is a navigation bar with 'Home', 'Report', 'Services', 'Account', and 'Admin'. A 'Log off' button is in the top right. Below the navigation bar, there is a 'Change Password' section. The form contains the following fields: 'Your User Name' (JdoetZ990), 'Current Password', 'Your New Password', 'Retype Your New Password', and 'KPPA PIN'. There are 'Update' and 'Cancel' buttons at the bottom. A note is displayed: 'Note: Maintaining the security of your login information is your responsibility. No one at KPPA knows or can retrieve your password for you, and no KPPA representative will ever ask you for your password.' A red asterisk indicates a required field.

| Field Name | Description |
|--------------------------|--|
| Your User Name | User name of the person currently logged in to ESS. |
| Current Password | Current password of the person logged into ESS. |
| Your New Password | New password to be used for ESS. |
| Retype Your New Password | Verification of the new password for ESS. |
| KPPA PIN | Security feature that uses your employer PIN to verify identity. |

STEP 3

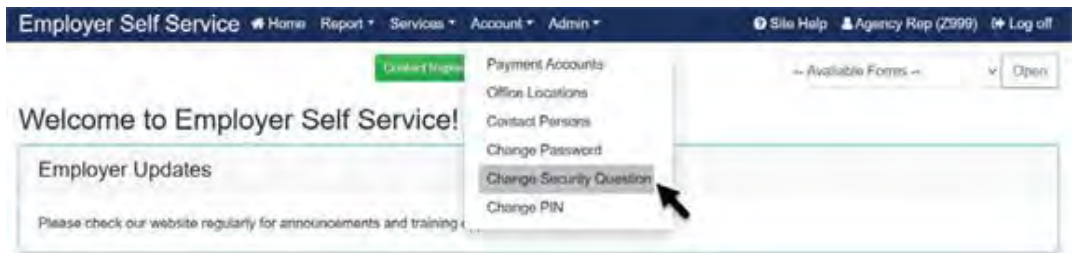
Click  to change the ESS password.

CHANGE SECURITY QUESTION

First time users will be required to select and answer a security question upon initial log in. The Security Question answer will be required if the user clicks the “Forget Password” link on the sign in screen.

STEP 1

Click **Change Security Question** under the **Account** menu.



STEP 2

Complete all required fields:



| Field Name | Description |
|--------------------|--|
| Security Question | Question that will be asked in the event the user forgets their user name or password. |
| Answer | Answer to the security question. |
| Retype Your Answer | Verification of the answer to the security question. |
| KPPA PIN | Security feature requiring the user’s PIN to verify identity. |

STEP 3

Click **Update** to update the security question information.

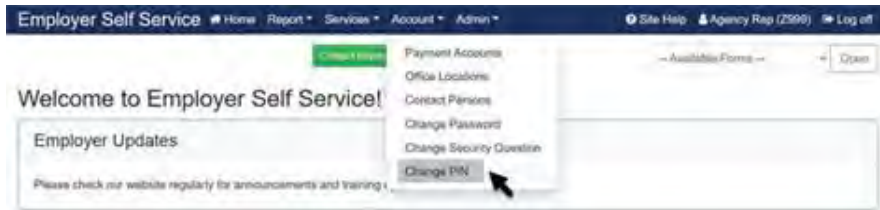
**PIN
Personal
Identification
Number**

CHANGE PERSONAL IDENTIFICATION NUMBER

First time users will be required to reset their temporary PIN issued by KPPA immediately upon initial log in. The employer PIN is used to verify the identity of the employer representative both online and when calling KPPA, and acts as the representatives' electronic signature.

STEP 1

Click **Change PIN** under the **Account** menu.



STEP 2

Complete all required fields:



| Field Name | Description |
|---------------------|--|
| Your User Name | User name of the person currently logged into ESS. |
| Current PIN | Current PIN of the person logged into ESS. |
| Your New PIN | New PIN to be used for ESS. |
| Retype Your New PIN | Verification of the new PIN for ESS. |

STEP 3

Click **Update** to update the ESS PIN.



PAYMENT ACCOUNTS

KHRIS employers included on the Personnel Cabinet’s monthly retirement file do not manage Payment Accounts in ESS. The Personnel Cabinet submits payment to KPPA.

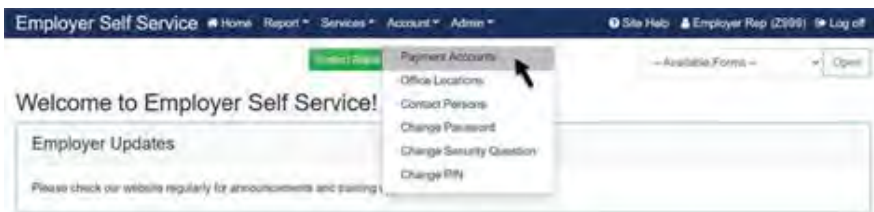
The Payment Accounts module allows employers to add, update, and delete payment accounts for remitting contributions to KPPA. Bank routing and account information entered by the employer in ESS is encrypted and stored securely by KPPA.

Two electronic payment account types can be set up:

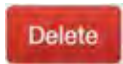
| Payment Account Type | Description |
|----------------------|--|
| EFT | Bank routing and account information is stored with KPPA so that the monthly payment can be automatically drafted after the submission of the monthly summary. |
| e-Check | Bank routing and account information is stored with KPPA and allows the employer to enter a specific check number each month prior to payment. |

STEP 1

Click **Payment Accounts** under the **Account** menu. All existing payment accounts will display.



The user can delete an existing payment account by clicking **Delete** next to the payment account if there are no pending payments.



Manage Payment Accounts

The Payment Accounts page allows employers to manage various methods for payment to KPPA. Accounts entered through this module will be available for use on the Submit Monthly Summary and Invoices screens of Employer Self Service. Users will click the Nickname of the account to update entered account information. New account information can be entered using the **Add a Payment Account** button.



STEP 2

Click  to add a new account.




STEP 3

Complete all required fields:

| Field Name | Description |
|----------------------------|--|
| Receipt Type | The type of payment account being set up. |
| Nickname | Name displayed on the Payment Account screen. |
| Bank Routing or ABA number | Routing number for the bank that the account is associated with. |
| Bank Account number | Employer's bank account number that will be used for payments to KPPA. |
| Retype Bank Account number | Verification of the Employer's bank account number. |

STEP 4

Click 



Employers have the option of adding multiple accounts for contribution remittance. Accounts can be differentiated using the Account Nickname and Receipt Type.

STEP 5

Add a Payment Account

STEP 2 of 2
Please review the information you have entered then click **Submit**.
To make changes, click **Edit**.
To cancel without saving, click **Cancel**.

| | |
|-----------------------------|---|
| Nickname: | CERS Retirement |
| Bank Name: | JPMORGAN CHASE |
| Bank routing or ABA number: | 083000137 |
| Bank Account number: | 123456 |
| Receipt Type: | EFT |
| KPPA PIN: * | |
| | Edit Submit Cancel |

Enter your PIN and click **Submit** to save the payment account.

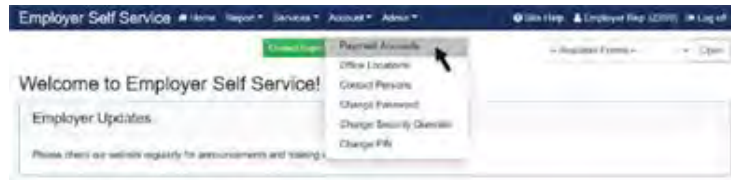


Employers have the option, prior to submitting the payment account, to edit the information or cancel the transaction.

EDIT PAYMENT ACCOUNTS

STEP 1

Click **Payment Accounts** located under the **Account** menu.



You can delete an existing payment account by clicking **Delete** next to the payment account if there are no pending payments for the account.

STEP 2

Click the link in the **Nickname** column for the payment account you would like to edit.

Manage Payment Accounts

The Payment Accounts page allows employers to manage various methods for payment to KPPA. Accounts entered through this module will be available for use on the Submit Monthly Summary and Invoices screens of Employer Self Service. Users will click the Nickname of the account to update entered account information. New account information can be entered using the **Add a Payment Account** button.



STEP 3

Complete the required field:

| Field Name | Description |
|------------|---|
| Nickname | Name displayed on the Payment Account screen. |



STEP 4

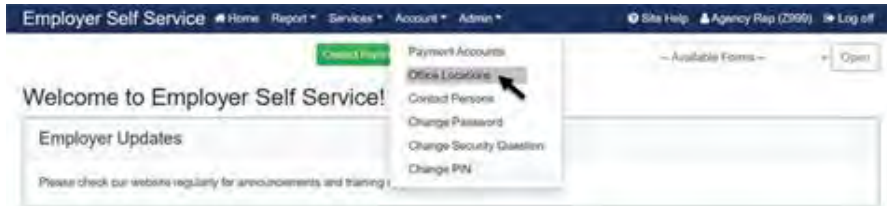
Enter your PIN and click **Update** to change the nickname for the payment account.

ADD OFFICE LOCATIONS

The **Office Locations** screen allows employers to add new office locations and update their mailing address with KPPA.

STEP 1

After successfully signing in to ESS, click **Office Locations** located under the **Account** menu



STEP 2

To add a new office location, click

Add an Office Location



The **Office Location** must be set up before you can enter a **Contact** person.

The screenshot shows the 'Add Office Location' form. It includes a header with navigation links and a 'Please Note' section. The form fields are: Employer (SAMPLE EMPLOYER), Location Type (Select Location Type), Care Of, Address Line 1, Address Line 2 (optional), City, State (Select State), Zip Code, and County (Select County). There are 'Submit' and 'Cancel' buttons at the bottom.

STEP 3

Complete all applicable fields.

| Field Name | Description |
|---|--|
| Location Type <i>(see descriptions below)</i> | Type of location which is being added for the employer. |
| Care Of | Use when recipient does not normally receive mail at the address provided. |
| Address Line 1 | Street address or post office box for the location. |
| Address Line 2 | 2nd line of an address to be used for a building, unit, floor or suite number. |
| City | City in which the office is located. |
| State | State in which the office is located. |
| ZIP Code | ZIP Code for the office location. |
| County | County in which the office is located. |

| Location Type | Description |
|-----------------------------|---|
| Mailing | Address KPPA will use when mailing information to the employer. This address is required. |
| Primary Location | Enter a Primary Location if the employer is primarily located at an address that is different from the Mailing address. |
| Satellite | Enter a Satellite address if the employer has a location other than the Primary Location. |
| Third-Party Preparer | Address of a third party (i.e. Accountant, Payroll Provider) who prepares a monthly report for the employer. |

STEP 4

Click  to save the office location information.

**STEP 5**

A messages displays that confirms the office location has been successfully saved.

Click 

EDIT AN OFFICE LOCATION

To edit an **Office Location**, click the link next to an existing location.



Refer to **Steps 3 - 5** above for adding an office location.

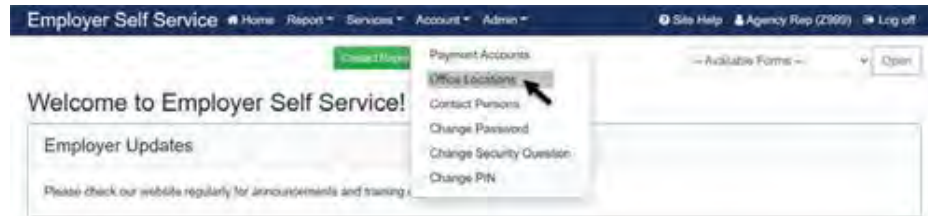


Click **Continue**

DELETE AN OFFICE LOCATION

STEP 1

Click **Office Locations** located under the **Account** menu.



STEP 2

Click **Delete** next to the location to be deleted.



STEP 3

Click **OK** to confirm that the location should be deleted.



If one of the employer contacts has been tied to the location you wish to delete, you must first edit that contact person's location information before you will be able to delete the location.



Employers cannot delete the mailing address, as this is a required address for KPPA. Mailing addresses can only be edited to update information.

ADD CONTACT PERSONS

Employers can set up multiple employees as contacts in ESS. Contacts can then be set up as ESS users and granted access to ESS. An employee must be added as a contact in order to be an ESS user.

An employer must designate a primary Reporting Official contact. For multiple contacts of the same type (e.g. Human Resources), one individual must be designated as a primary contact.

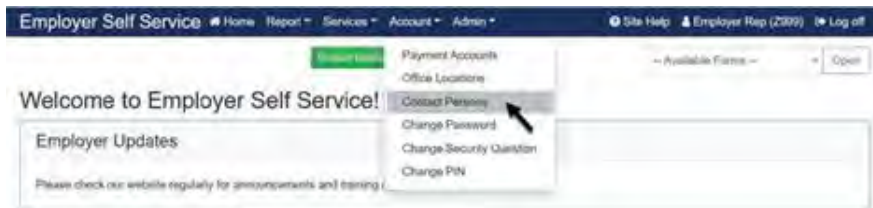
Every six months the primary Reporting Official will verify contact information for the primary Reporting Official, primary Human Resources contact, and Agency Head in ESS. If the employer does not have a primary contact for Agency Head and Human Resources, the pop-up verification will display upon login until these contact types are provided.



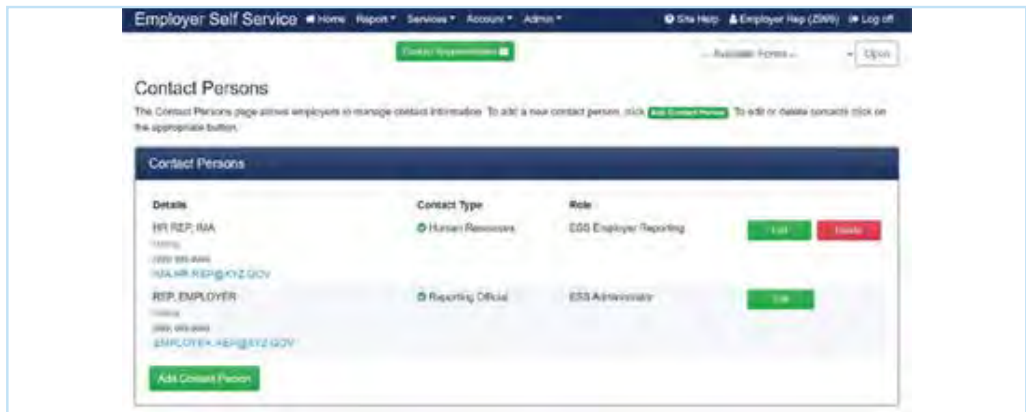
For an employer representative to be authorized to sign KPPA forms, they must be listed as a [Contact Person](#) for the employer.

STEP 1

Click [Contact Persons](#) located under the [Account](#) menu.

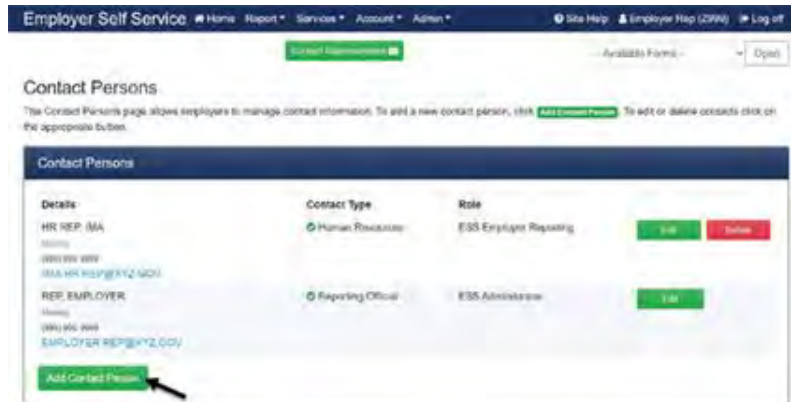


All contact persons associated with the employer are displayed. If the contact person is an ESS user, the user's security role will also be displayed.



STEP 2

Click **AddContact** to add a new contact person.



In order to set up a new **Contact Person**, the corresponding **Office Location** must be entered and saved in ESS.

STEP 3

On the Add a **Contact Person** screen, complete all required fields. There are additional fields you may complete to provide more information.

| Field Name | Description |
|----------------------------|---|
| NAME | |
| Prefix | Prefix for the person being added as a contact person. |
| First Name | First Name of the person being added as a contact person. |
| Middle Name | Middle Name of the person being added as a contact person. |
| Last Name | Last Name of the person being added as a contact person. |
| Suffix | Suffix of the person being added as a contact person. |
| Title | Contact Person's title within the organization. |
| CONTACT INFORMATION | |
| Office Location | Location Type for the employer office location. |
| Email | Email address of the person being added as a contact person. Each contact person set up for an employer must have a unique email address. |
| Work Phone | Work phone number of the person being added as a contact person. |
| Alternate Phone | Alternate phone number of the person being added as a contact person. |
| Fax | Fax number of the person being added as a contact person. |

STEP 4

Select the employer contact type for the **Contact Person** by clicking the check box for each **Contact Type** that should be related to the person.

The screenshot shows a window titled "Contact Type" with a list of roles and their corresponding checkboxes. The "Human Resources" checkbox is selected, and the "Set as Primary Contact" checkbox is also selected. The roles listed are Agency Head, Human Resources, IT, Legal Contact, Payroll, Police Chief, Reporting Official, and Sheriff. Below the list are two buttons: "Submit" and "Cancel".



The first time a contact type is set up, that contact must be set as the primary contact. If multiple contacts will be set up for the same contact type, then the primary contact should be set up first. Marking the check box for **Set as Primary Contact** will identify this **Contact Person** as the primary contact for the **Contact Type** selected.



The primary Reporting Official is the person responsible for all aspects of the employer's monthly report. KPPA will contact this person if there are any questions about the employer's monthly report. The Reporting Official will also receive email notifications generated by invoicing and employer reporting in the KPPA system.

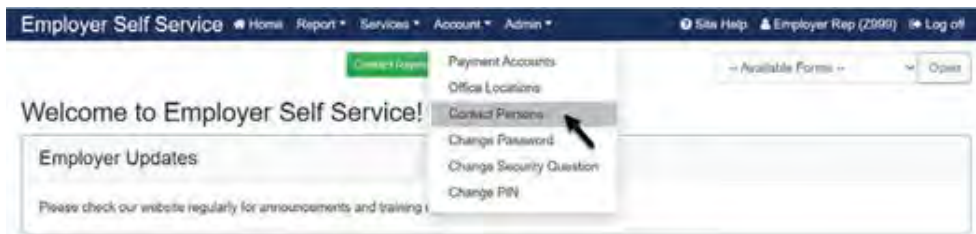
STEP 5

Click

EDIT A CONTACT PERSON

STEP 1

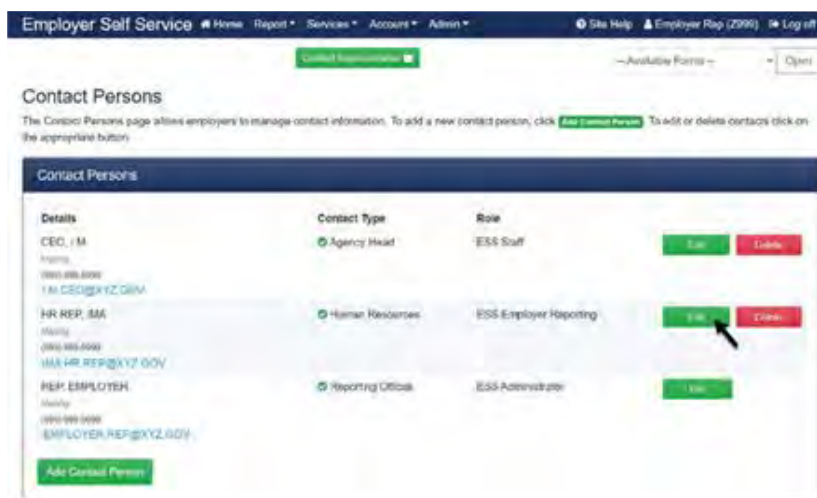
Click **Contact Persons** located under the **Account** menu.



All existing contact persons associated with the employer will display.

STEP 2

Click **Edit** next to the contact person to be edited.



STEP 3

On the Add a **Contact Persons** screen, complete all required fields. There are additional fields you may complete to provide more information.

| Field Name | Description |
|-------------|--|
| NAME | |
| Prefix | Prefix for the person being added as a contact person. |
| First Name | First Name of the person being added as a contact person. |
| Middle Name | Middle Name of the person being added as a contact person. |
| Last Name | Last Name of the person being added as a contact person. |
| Suffix | Suffix of the person being added as a contact person. |
| Title | Contact Person's title within the organization. |


| Field Name | Description |
|----------------------------|---|
| CONTACT INFORMATION | |
| Office Location | Location Type for the employer office location. |
| Email | Email address of the person being added as a contact person. Each contact person set up for an employer must have a unique email address. |
| Work Phone | Work phone number of the person being added as a contact person. |
| Alternate Phone | Alternate phone number of the person being added as a contact person. |
| Fax | Fax number of the person being added as a contact person. |

STEP 4

Update the employer contact type for the **Contact Person** by clicking the check box for each **Contact Type** that should be related to the person.

The screenshot shows a window titled "Contact Type" with a list of roles and their corresponding checkboxes. The "Human Resources" checkbox is checked. To the right of the list is a "Set as Primary Contact" checkbox. At the bottom of the window are two buttons: "Submit" and "Cancel".

STEP 5

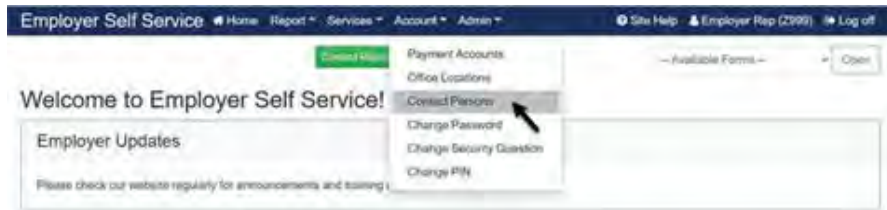
Click 

DELETE A CONTACT PERSON

STEP 1

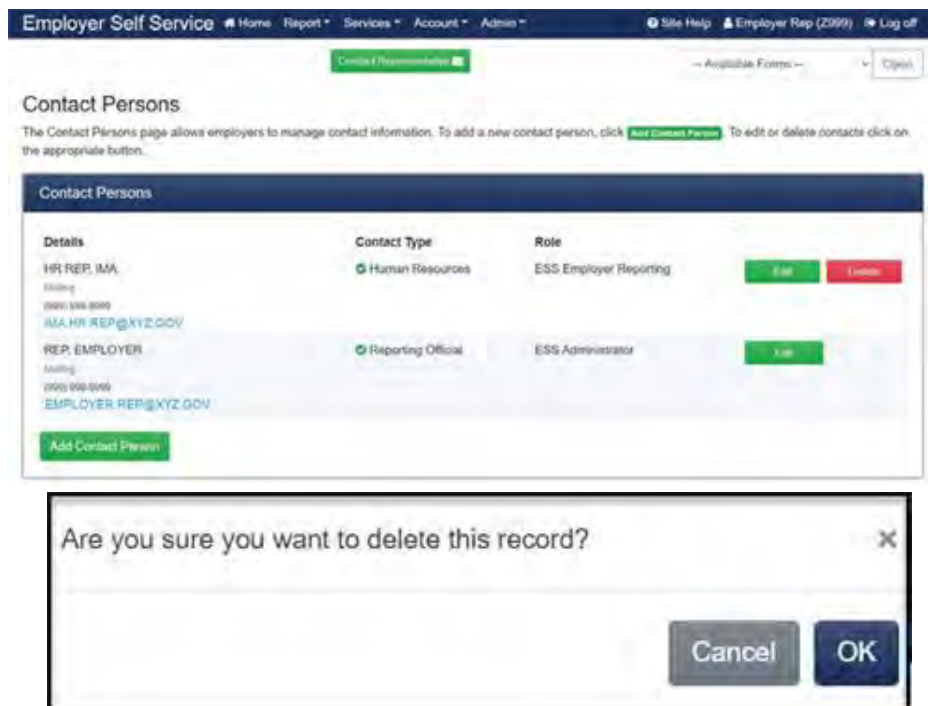
Click **Contact Persons** located under the **Account** menu.

All existing contact persons associated with the employer will display.



STEP 2

Click **Delete** next to the contact person to be deleted.



STEP 3

Click **OK** to confirm that the contact person should be deleted.



You cannot delete the primary Reporting Official without having first named a new primary Reporting Official.

MANAGE USERS

Only users with the role of Employer Administrator will see the **Admin** menu display. Under the **Admin** menu, the ESS Administrator can access the **Manage Users** module to add or delete users and assign or change security roles. The ESS Administrator uses security roles to manage each user's level of access in ESS. The Employer Administrator can also reset the password and PIN of each user if the user account is locked or the user forgets their PIN or password.



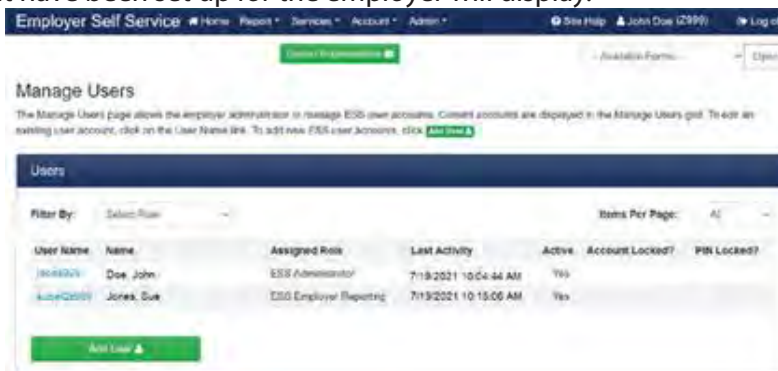
An employer may have two Employer Administrator roles for each account. If a person designated as the Employer Administrator needs to be changed, the Agency Head should complete and submit a **Form 7071** to KPPA in a timely manner to establish a new Employer Administrator. If the designated Employer Administrator leaves the employer before a new administrator is set up by KPPA, the new Employer Administrator should contact KPPA.

STEP 1

Click **Manage Users** located under the **Admin** menu.



All users that have been set up for the employer will display.



| Field Name | Description |
|-------------------|---|
| User Name | User name used to sign into ESS. |
| Name | Name of the user. |
| Assigned Role | The user's security role set by the Employer Administrator. |
| Last Activity | Indicates the last time the user has been active in ESS. |
| Active | Indicates the user is an active user for the employer. |
| Locked out of ESS | Indicates if the user has been locked out of ESS. |
| PIN Locked? | Indicates if the user has locked their ESS PIN. |

ADD A NEW USER

The Employer Administrator can add new ESS users. Each user will have access to the employer's information through ESS based on their security role.



The Employer Administrator role cannot be set up using Employer Self Service. To set up a user as the Employer Administrator, the agency head must complete a [Form 7071](#) and submit it to KPPA.

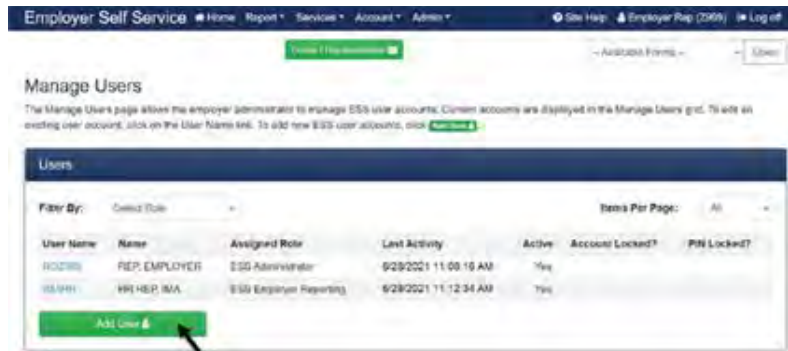
STEP 1

Click [Manage Users](#) located under the [Admin](#) menu.



STEP 2

Click [Add User](#)



In order to set someone up as a new user, they must already be set up as a contact for the employer in the Contact Persons module.

STEP 3

Complete all required fields:

Add User
 Choose a contact person, enter a unique User Name, select the appropriate security role and click **Submit**.
Please Note: Only those employees that have been setup as Contact Persons may be assigned an ESS account.

New User

Contact Person*

User Name**

Role*

E-mail

Active

| Field Name | Description |
|----------------|--|
| Contact Person | Select the name of the person being added as a new user from the drop-down menu. |
| User Name | Enter the User Name the new user will use to sign into ESS. Please note that the User Name cannot be changed. |
| Role | Select the appropriate role for the user from the role drop-down menu. |
| E-mail | Displays email address of the new user based on the email provided when the individual was set up as a contact person. |
| Active | Check box indicating the user is an active user. |



The role of the user will determine the user's level of access in ESS. Each role is described below.

| Role | Description |
|--------------------|--|
| Administrator | The Administrator role has full access to all screens in ESS, including Manage Users. Only users with the Administrator role may add or delete other users. |
| Employer Reporting | The Employer Reporting role has access to all screens in ESS, except Manage Users. |
| Staff | The Staff role is limited to Forms, Monthly Packets, Download Member ID, Sick Leave Cost Calculator, Death Notice, Seminars, Office Locations, Contact Persons, Change Password, and Change Security Question screens. |

STEP 4

Click  to create the new user.

Three emails are automatically generated and sent to the new user from KPPA's secure email portal. For step-by-step instructions on the initial log in process, read the [First Time Log In to Employer Self Service guide](#).



[First Time Log In to Employer Self Service Guide](#)

MANAGE USER ACCESS

The ESS Administrator can reset a user's password and PIN, change a user's security role and deactivate a user's ESS account.

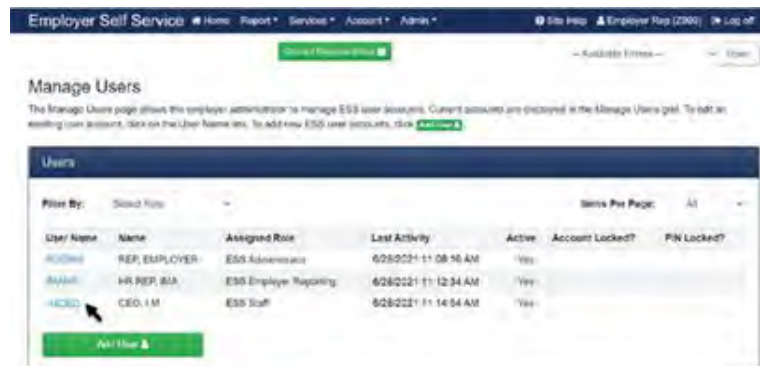
STEP 1


Click [Manage Users](#) located under the [Admin](#) menu.



STEP 2

To reset user information, click on the [User Name](#) link.



If a user's PIN or password has been locked due to multiple incorrect entries, a lock icon  will appear in the appropriate column for that user.

STEP 3

Check the applicable box(es) to reset the user's password, PIN, modify the user's Active status, or select another role.

The screenshot shows the 'Edit User' interface. At the top, there's a navigation bar with 'Employer Self Service' and various menu items. Below that, a green banner says 'Current Permissions'. The main heading is 'Edit User'. A small text block explains that this form allows administrators to reset passwords and PINs, update security questions, and modify the user's account. A 'Please Note' section states that resetting passwords or PINs generates email correspondence to the selected ESS user, but deactivating an ESS user will disable their login without deleting their contact person record. The form itself has a dark blue header 'Edit User' and contains the following fields: 'Contact Person' (CEO, J M), 'User Name' (MCEO), 'Role' (ESS User), and 'Email' (J.M.CEO@XYZ.COV). There are three checkboxes: 'Reset Password' (unchecked), 'Reset PIN' (unchecked), and 'Active' (checked). At the bottom, there are 'Update' and 'Cancel' buttons.

STEP 4

Click 



The user will receive email notification of their temporary password and/or PIN. The user will have to change the temporary password and/or PIN after logging into ESS. The user does not receive an email notification if their Active status changes.



Once a user has been deactivated, the user will no longer have access to ESS. If this person is no longer working for the employer, navigate to the [Contact Persons](#) under the [Account](#) menu to remove the person as a contact for the employer.

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Kentucky Public
Pensions Authority

CHAPTER 4

Monthly Reporting KHRIS

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REVISED 07/2021

HRIS

EMPLOYER REPORTING, COMPLIANCE & EDUCATION



This document explains the monthly reporting process for [KHRIS](#) employers included on the Personnel Cabinet’s monthly file. Due to differences in the monthly reporting process, all other employers should refer to [Chapter 4 – Monthly Reporting](#).



Employers are required to report creditable compensation and submit payment for employee contributions, employer contributions, and health insurance contributions (when applicable) on a monthly basis. The detail report will be submitted by the Personnel Cabinet in the required format. Creditable compensation should be reported when paid, not when earned. The posting month may need to reflect a month other than the report month due to exceptions outlined in [105 Kentucky Administrative Regulations 1:140](#):

If the month the creditable compensation was earned is the month in which the employee:

1. Became employed;
2. Became eligible to participate in one of the systems operated by KPPA;
3. Was transferred to hazardous coverage from nonhazardous participation;
4. Was transferred from hazardous coverage to nonhazardous participation;
5. Terminated employment; or
6. Became ineligible to participate in one of the systems operated by KPPA.

If you are reporting a lump-sum or non-recurring payment, you must indicate the period(s) of time during which the payment was earned. If an employee is being given a lump sum payment for overtime that was omitted in error, you must specify the period of time during which the overtime was earned.



Employers must contact an ERCE representative and submit any proposed reinstatement order to be reviewed by our Office of Legal Services prior to the order being entered. Learn more about [Court/Board Ordered Backpay \(Reinstatements\)](#).

[Kentucky Revised Statutes 61.675](#) and [78.625](#) require participating employers to submit employee information and employee contributions, employer contributions and health insurance contributions (when applicable) through the Monthly Reporting process. KPPA creates a template every month on the evening of the 25th and makes it available to each employer. The primary Reporting Official receives an email notification that the monthly report template and/or packet is available in Employer Self Service (ESS).

Reporting Officials have until the 10th of the following month to submit the components of the monthly report: the Employee Detail Report; Contribution Summary; and Contribution Payment. If the 10th falls on a weekend or holiday, the reporting deadline moves to the next business day.





Effective July 1, 2021, KERS Nonhazardous employers are invoiced for the dollar amount contribution due for their share of the unfunded liability cost. For this contribution payment, the participating agencies that fall under the executive, legislative, or judicial branch umbrellas are considered a singular unit, and the Actuarially Accrued Liability Contribution (AALC) Invoice for the entire branch is billed to the branch leadership. Each branch's leadership must decide how to account for these amounts with each agency. KERS Nonhazardous employers will report only the normal cost (10.10% of payroll) with their monthly KERS employer report.

Click [here](#) for additional requirements for KERS Nonhazardous employers.

The amount KHRIS employers owe for the AALC is paid to the branch leadership as directed by each branch:

- All executive branch departments, program cabinets, and their respective departments, and administrative bodies enumerated in KRS 12.020, and any other executive branch agencies administratively attached to these entities, are considered a single individual employer and only one amount will be invoiced for these employers. The Office of the State Budget Director is the contact for the Executive Branch.
- All employers of the legislative branch, including the Legislative Research Commission and the General Assembly that covers legislators and staff who participate in the Kentucky Employees Retirement System, are considered a single individual employer and only one amount will be invoiced for these employers. The Chief Fiscal Officer for the Legislative Research Commission is the contact for the legislative branch.
- All employers of the judicial branch, including the Administrative Office of the Courts, the Judicial Form Retirement System, and all master commissioners, are considered a single individual employer and only one amount will be invoiced for these employers. The Director of the Administrative Officer of the Courts is the contact for the judicial branch.

Delinquent reporting may cause:

1. Interest to be added on delinquent contributions, and
2. Delinquent contributions with interest may be recovered through an action filed in Franklin Circuit Court.
3. If the executive, legislative, or judicial branch leadership (see above) fails to pay their AALC Invoice for a period of 90 days or more, current employees of the participating agencies that fall under the executive, legislative, or judicial branch will not accrue additional service credit until the branch leadership pays all employer contributions owed, and the employer's general fund appropriations may be intercepted by the Finance and Administration Cabinet on behalf of KERS and used to pay the employer contributions owed. See [Kentucky Revised Statute 61.675\(4\)](#).

INCOMPLETE EMPLOYEE CONTRIBUTIONS

KPPA deposits employee contributions when submitted by participating employers. Employee contributions and health insurance contributions are submitted to KPPA as part of the monthly reporting process, but are separately tracked, deposited and invested according to statute.

Occasionally, during the course of monthly reporting, an incomplete employee contribution or health insurance contribution amount is submitted to KPPA. For employers reported by the Personnel Cabinet, the employer will be informed of the additional required contributions via the electronic monthly Pended Transactions Report. Each of these transactions must be corrected in the Kentucky Human Resource Information System (KHRIS) within the allotted time frame, which results in the correction being reported to KPPA through the Personnel Cabinet file.

The employer is required to submit employer contributions; however, the member has the option to allow their employer to withhold remaining contributions or, if their employee contributions are refunded due to being incomplete, either remit payment for omitted invoices or lose their service credit for that month.



Members should contact our office with any questions about how nonpayment may impact their benefits.

If the employee contributions owed cannot be collected by the employer within the allotted time frame, any partial contributions will be returned to the employer through a credit invoice in order to be refunded to the member through payroll with applicable withholdings. Employer contributions will also be refunded on the same invoice. Then, omitted invoices for the full amount of contributions due will be sent to the member and to the employer. If the omitted invoices are not paid, the member may lose service credit for that month due to incomplete contributions. KPPA also sends a notice to the member explaining this process and how it may impact their service credit.

REPORTING AND BALANCING EMPLOYERS

A Reporting Employer is the entity that reports monthly contribution detail records to KPPA. A Balancing Employer is the entity who submits the Monthly Summary and payments to KPPA. Most employers are both the Reporting and Balancing Employer.

For all employers reported by the Personnel Cabinet, the Personnel Cabinet is considered the Balancing and Reporting Employer. Therefore, any employers reported by the Personnel Cabinet will not have access to Enter Report Details, Upload File, or Submit Monthly Summary in Employer Self Service (ESS).

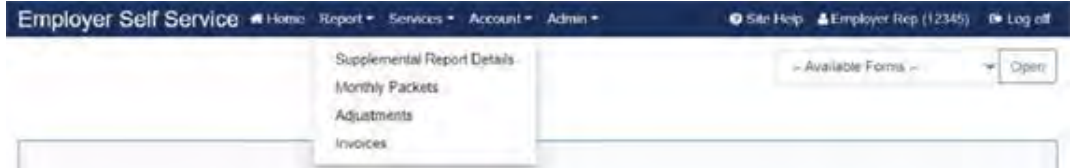
REPORTING DETAIL FOR COUNTY FEE AGENCIES (DESIGNATED SHERIFF/COUNTY CLERKS)



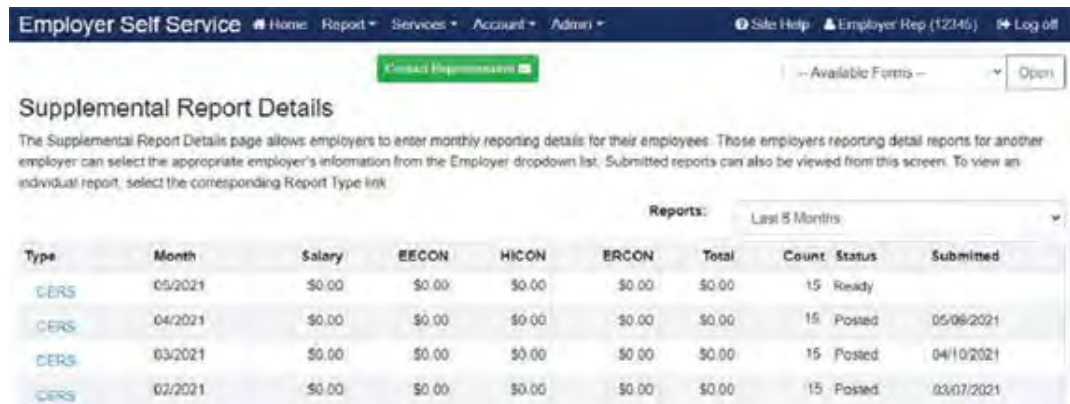
County Fee employers who are reported by the Personnel Cabinet due to the population of their county are required to report additional detail each month for their employees. Because the Personnel Cabinet is unable to provide all the information KPPA requires to process employee records, these employers will utilize the **Supplemental Report Details** option to report this additional detail. Once the Personnel Cabinet has submitted the monthly file, the Reporting Official for the County Fee agency will receive an email indicating the monthly Supplemental Report Detail is ready to be completed and submitted. The completed report must be submitted to KPPA no later than 10 days from the notification that the report is ready.

Step 1

In ESS, click **Supplemental Report Details** under the **Report** menu.



ESS will display the overview screen.



Step 2

A table will list the following information for the selected Supplemental Report Details:

| FIELD NAME | DESCRIPTION |
|------------------|--|
| Type | Displays the retirement system (KERS, CERS or SPRS) of the selected record. This link takes you to the monthly details report. |
| Month | Displays the month and year. |
| Salary | Displays the total salary for the listed employees. |
| EECON | Displays the total employee contributions for the listed employees. |
| HICON | Displays the total health insurance contributions for the listed employees. |
| ERCON | Displays the total calculated employer contributions based on the salary reported.* <i>*For KERS Nonhazardous, this amount only represents the normal cost contribution.</i> |
| Total | Displays the sum of the employee, employer and health insurance contributions. |
| Count | Displays the employee count. |
| Status | <p>Displays the status. Statuses that the Supplemental Report Details can be in are:</p> <ul style="list-style-type: none"> • Supplemental – Initial Status of the Supplemental Report Details. KPPA has received the monthly file from the Personnel Cabinet, but has not received the submission from the county fees agency. • Submitted – KPPA has received the Supplemental Report Details from the county fees agency, but has not yet taken action on the report. While the Supplemental Report Details is in the submitted status, it can still be unsubmitted if corrections need to be made. • In Progress – KPPA is processing the Supplemental Report Details. No changes may be submitted once the report is in this status. If the Supplemental Report Details have not been submitted, the agency will be contacted to provide the missing information. • Posted – KPPA has processed the Supplemental Report Details and posted the monthly contributions for the employer. Employers will be notified of any necessary error corrections. |
| Submitted | Displays the date the Supplemental Report Details were submitted to KPPA. |

Step 3

Click the **Type** link to access a specific report.

Supplemental Report Details

The Supplemental Report Details page allows employers to enter monthly reporting details for their employees. Those employers reporting detail reports for another employer can select the appropriate employer's information from the Employer dropdown list. Submitted reports can also be viewed from this screen. To view an individual report, select the corresponding Report Type link.

Reports: Last 5 Months

| Type | Month | Salary | EECON | HICON | ERCON | Total | Count | Status | Submitted |
|----------------------|---------|--------|--------|--------|--------|--------|-------|--------|------------|
| CERS | 05/2021 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 15 | Ready | |
| CERS | 04/2021 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 15 | Posted | 05/09/2021 |
| CERS | 03/2021 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 15 | Posted | 04/10/2021 |
| CERS | 02/2021 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 15 | Posted | 03/07/2021 |



Once a Supplemental Report Details report is in Posted status, it can be viewed but not be altered. To change employee details reported in a previous month, an adjustment record should be submitted through KHRIS.

Step 4

The **Member Details Overview** screen for that report type will display.

Member Contributions

To view or edit member contribution information, select the corresponding (member) name link. To add a new record or adjust a previously reported transaction, click [Add New Item](#). Once all items are correct, click [Submit Report](#).

[Return to Supplemental Report Details](#)

| Name | Member ID | Posting Month | Contribution Group | Job Position | Position Status | Employment Begin Date | Employment End Date |
|--------------------------------|-----------|---------------|--------------------|-----------------------|-------------------|-----------------------|---------------------|
| CHERRY, CHERYL | | 05/2021 | CH2CB | | Regular Full Time | 04/21/2021 | |
| PAULEY, PAULEY | 423209 | 05/2021 | CH2NH | Patrol Deputy Sheriff | Regular Full Time | 09/15/1996 | |
| RAM, RODER | 1030003 | 05/2021 | CH2CB | Sheriff | Regular Full Time | 01/16/2018 | |
| FORD, FANNY | 328974 | 05/2021 | CH2NH | Deputy Sheriff | Regular Full Time | 01/01/1995 | |
| GENERAL, GARY | 450011 | 05/2021 | CH47NH | Other | Regular Full Time | 07/13/2015 | 05/15/2021 |

[Submit](#)

MEMBER DETAILS OVERVIEW

By default, this screen will display only those members for whom KPPA can determine there is incomplete information in the report submitted by the Personnel Cabinet. To see all records reported for the employer for the month, use the Show All checkbox.

The Member Details Overview screen displays several fields of information for each employee for quick access. However, this is not the full detail report. From this screen, you may navigate to the full details for each employee, submit the Supplemental Report Details, or return to the overview screen. Employees will be listed in alphabetical order by last name.

Only certain fields in the detail record may be edited. If changes need to be made to fields that are not editable, the employer should make the appropriate corrections in KHRIS, which will be reported the following month on the file submitted by the Personnel Cabinet.

The Member Details Overview screen displays the following information:

| FIELD NAME | DESCRIPTION |
|------------------------------|---|
| Name (hyperlink) | Displays the name of the employee. Click to display the employee's entire contribution detail record. |
| Member ID | Displays the employee's member ID. |
| Posting Month | Displays the posting month and year of the contribution detail record. |
| Contribution Group | Displays the employee's contribution group for the contribution detail record. |
| Job Position | Displays the Job Position reported for the employee. |
| Position Status | Displays the Position Status reported for the employee. |
| Employment Begin Date | Displays the reported date the employee began this period of employment. |
| Employment End Date | Displays the reported date the employee's period of employment ended. |

EDIT A RECORD

Step 1

After selecting the current **Supplemental Report Details**, ESS will display the **Member Details Overview** screen.

Employer Self Service Home Report Services Account Admin Site Help Employer Rep (12345) Log off

Contact Representative Available Forms Open

To view or edit member contribution information, select the corresponding (member) name link. To add a new record or adjust a previously reported transaction, click **Add New Item**. Once all items are correct, click **Submit Report**.

Return to Supplemental Report Details

| Name | Member ID | Posting Month | Contribution Group | Job Position | Position Status | Employment Begin Date | Employment End Date |
|-----------------|-----------|---------------|--------------------|-----------------------|-------------------|-----------------------|---------------------|
| CHEVY, CHERYL | | 05/2021 | CHZCB | | Regular Full Time | 04/21/2021 | |
| PONTIAC, PAULEY | 423208 | 05/2021 | CHZNH | Patrol Deputy Sheriff | Regular Full Time | 09/16/1996 | |
| RAM, ROGER | 1000003 | 05/2021 | CHZCB | Sheriff | Regular Full Time | 01/18/2018 | |
| FORD, FANNY | 328974 | 05/2021 | CHZNH | Deputy Sheriff | Regular Full Time | 01/01/1995 | |
| GENERAL, GARY | 450011 | 05/2021 | CN4ZNH | Other | Regular Full Time | 07/13/2015 | 05/15/2021 |

Submit

Step 2

To edit an employee, click the **Name** hyperlink to access the entire detail record.

ESS displays the contribution detail record.

Employer Self Service
Site Help | Employer Rep (12345) | Log off

Correct Record
Available Firms

Update Member Contribution

Update appropriate fields below. To update contribution amounts, after entering the salary click Correct. Once all necessary changes are made, click Update to save the updated record.

Personal Information

| | | | |
|--------------|--|------------|--|
| Prefix: | <input type="text" value="Select Prefix"/> | SSN: | <input type="text" value="XXX-XX-0001"/> |
| First Name: | <input type="text" value="CARL"/> | Member ID: | <input type="text" value="1000001"/> |
| Middle Name: | <input type="text"/> | | |
| Last Name: | <input type="text" value="CHRYSLER"/> | | |
| Suffix: | <input type="text" value="Select Suffix"/> | | |

* Required field

Contribution Information

| | | | |
|---------------------------------|--|---|--|
| Posting Month: | <input type="text" value="5/1/2021"/> | Contribution Group: | <input type="text" value="GERS NHZ - Cash Bal"/> |
| Payment Reason: | <input type="text" value="Regular pay"/> | Salary: | <input type="text" value="\$ 2835.00"/> |
| Salary that Exceeds IRS Limit: | <input type="text" value="\$ 0.00"/> | Pre-Tax Employee Contribution: | <input type="text" value="\$ 141.82"/> |
| Post-Tax Employee Contribution: | <input type="text" value="\$ 0.00"/> | Pre-tax Health Ins Contribution: | <input type="text" value="\$ 28.38"/> |
| Employer Contribution: | <input type="text" value="\$ 882.34"/> | <input type="checkbox"/> Employer-paid <input checked="" type="checkbox"/> Employer-paid | |

* Required field

Days Worked Greater Than Zero

Employment Information

| | | | |
|------------------------------------|--|--------------------------|---|
| Position Status: | <input type="text" value="Regular Full Time"/> | Job Position: | <input type="text" value="Other"/> |
| Employment Begin Date: | <input type="text" value="09/17/2018"/> | Employment End Date: | <input type="text" value="MMDDYYYY"/> |
| Employment End Reason: | <input type="text" value="Select Reason"/> | Payroll Frequency: | <input type="text" value="Semi-Monthly"/> |
| Type of Rate of Pay: | <input type="text" value="Monthly"/> | Rate of Pay: | <input type="text" value="\$ 3593.00"/> |
| Estimated Additional Compensation: | <input type="text" value="\$ 0.00"/> | Scheduled Hours Per Day: | <input type="text" value="8.00"/> |
| Contract Days: | <input type="text" value="0"/> | | |

* Required field

Leave Information

| | | | |
|----------------------------|----------------------|--------------------------|----------------------------------|
| Accrued Sick leave hours: | <input type="text"/> | Accrued Sick leave days: | <input type="text" value="8.3"/> |
| Hours in a Sick Leave Day: | <input type="text"/> | Compensatory Leave: | <input type="text"/> |

Demographic Information

| | | | |
|-------------------------|---|-----------------|--|
| Date of Birth: | <input type="text" value="01/01/1980"/> | Gender: | <input type="text" value="Male"/> |
| Email: | <input type="text"/> | Marital Status: | <input type="text" value="Select Marital Status"/> |
| Primary Address Line: | <input type="text" value="1234 MAIN ST"/> | | |
| Secondary Address Line: | <input type="text"/> | | |
| City: | <input type="text" value="SOMEWHEREVILLE"/> | | |
| State: | <input type="text" value="Kentucky"/> | | |
| Zip Code: | <input type="text" value="40000 - 0000"/> | | |

* Required field

Update
Cancel



Step 3

Complete, review and edit any necessary information for the employee. For a complete description of the fields to be completed, reference [Appendix B: Fields and Descriptions](#). If changes need to be made to fields that cannot be edited, the employer should make the appropriate corrections in KHRIS, which will be reported the following month on the file submitted by the Personnel Cabinet.

Step 4

Once the record is updated and accurate, click **Update**.

Once you click **Update**, KPPA will run validations against that record. If any errors are found, you will receive an error message at the bottom of the screen describing the error and how to correct it. After correcting the record, click **Update**.

SUBMIT THE SUPPLEMENTAL REPORT DETAILS

Step 1

Once all contribution detail records are updated, return to the [Member Details Overview](#) screen.

The screenshot shows the 'Employer Self Service' interface. At the top, there is a navigation bar with 'Home', 'Report', 'Services', 'Account', and 'Admin' menus. A 'Claims Representations' button is visible. Below the navigation, there is a section for 'Member Contributions' with instructions: 'To view or edit member contribution information, select the corresponding (member) name link. To add a new record or adjust a previously reported transaction, click [Add New Item](#). Once all items are correct, click [Submit Report](#).' A 'Return to Supplemental Report Details' link is also present.

| Member Contributions | | | | | | | | Show All |
|--------------------------------|-----------|---------------|--------------------|-----------------------|-------------------|-----------------------|---------------------|----------|
| Name | Member ID | Posting Month | Contribution Group | Job Position | Position Status | Employment Begin Date | Employment End Date | |
| CHEVY, CHERYL | | 05/2021 | CHZCB | | Regular Full Time | 04/21/2021 | | |
| PONTAC, PAULEY | 423208 | 05/2021 | CHZNH | Patrol Deputy Sheriff | Regular Full Time | 08/16/1998 | | |
| RAM, ROGER | 1020003 | 05/2021 | CHZCB | Sheriff | Regular Full Time | 01/18/2018 | | |
| FORD, FANNY | 328974 | 05/2021 | CHZNH | Deputy Sheriff | Regular Full Time | 01/01/1995 | | |
| GENERAL, GARY | 450011 | 05/2021 | CHZNH | Other | Regular Full Time | 07/13/2015 | 05/15/2021 | |

A 'Submit' button is located at the bottom right of the table.

Step 2

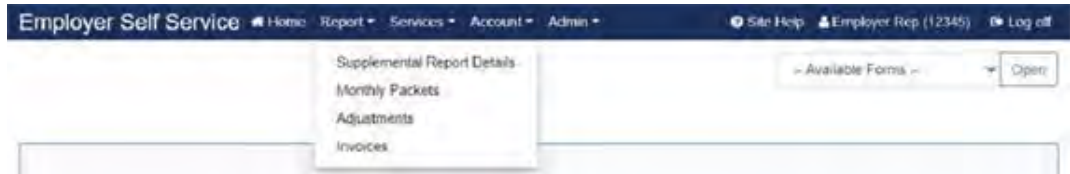
Click [Submit Report](#) to submit the Supplemental Report Details. If any records are identified as incomplete during the submission process, an error message displays listing the employee records to be completed. When submission is successful, the screen will update indicating your report has been submitted.

UNSUBMIT THE SUPPLEMENTAL REPORT DETAILS

While the report is still in “submit” status, an employer is able to unsubmit the report if necessary.

Step 1

In ESS, click **Supplemental Report Details** under the **Report** menu.

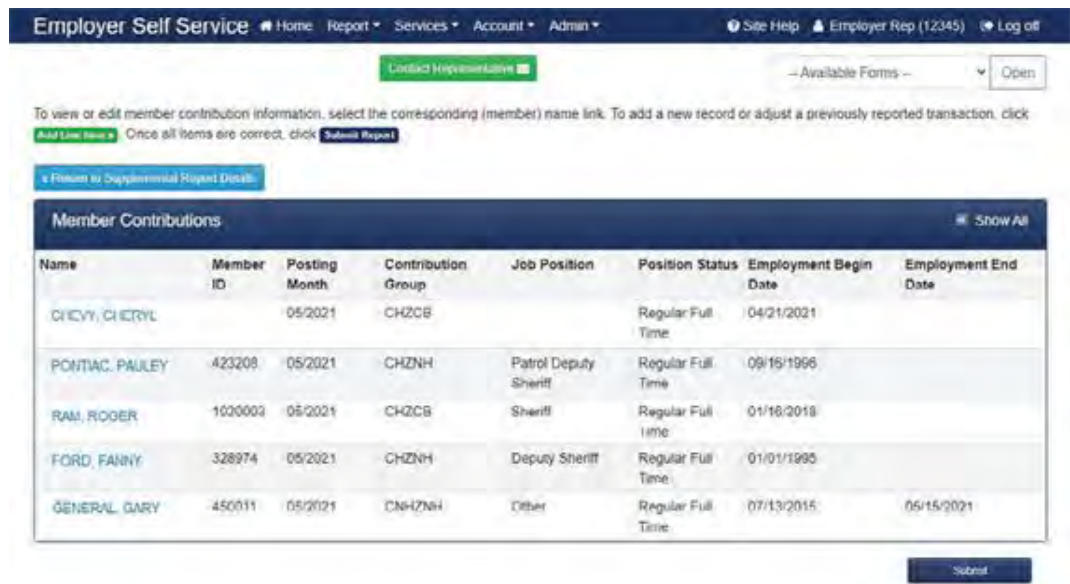


ESS will display the overview screen.



Step 2

Click the **Type** hyperlink to access that detail report. The **Member Details Overview** screen displays for that report type.



Step 3

Click **Unsubmit Report**. After the file has been unsubmitted, it may be modified and resubmitted.



The completed report must be submitted to KPPA no later than 10 days from the notification that the report is ready. If the report is not submitted by the deadline, the system will automatically process the Supplemental Report Details, and an ERCE representative will contact the employer for any missing information.

PROCESSING AND CORRECTING RECORDS

Once KPPA has received the monthly report from the Personnel Cabinet, KPPA validates the data in each field. For example, there is a verification step to confirm that an employee's reported contribution group is correct. If any of the data fields contain errors, the individual record is in error.

When errors in reporting are discovered, ERCE representatives work with each individual employer to correct the records. If KPPA discovers a reporting error that creates a monetary discrepancy between the reported contributions and the expected contributions, then KPPA will "pend" the reported record. A monthly report is provided to each agency listing all pended transactions.

It is very important that the employer makes these corrections in KHRIS as soon as possible upon receipt of this report. The corrections will be reported on the next available file submitted by the Personnel Cabinet, and the corrected records will be posted to the member's account.



If these corrections are not made in a timely manner, KPPA will refund contributions and, in some cases, reduce service credit for the members affected. For more information regarding the Pended Transactions report, please see the Monthly Packet Reports section below.

ADJUSTMENTS

For employers reported by the Personnel Cabinet, the majority of adjustments to previously reported records will be applied in KHRIS and submitted on the Personnel Cabinet's monthly file. Some adjustments, however, cannot be applied in KHRIS and will need to be submitted directly to KPPA. These adjustments are described below.

ADJUSTMENTS FOR PERIODS PRIOR TO 4/1/2011

These are corrections that need to be made for periods prior to the start date of KHRIS. The employer should contact their ERCE representative for guidance if:

- The employer needs to request the return of contributions for a salary amount reported in error for a period prior to April 1, 2011, or
- The employer needs to report additional salary and contributions to KPPA for a period prior to April 1, 2011.

WORKERS' COMPENSATION

Employers reported by the Personnel Cabinet often pay employees 100% of their salary while they draw worker's compensation using available sick leave. When the employee receives the payment from Workers' Compensation, that payment is turned over to the employer and the contributions that have been reported to KPPA for the amount of the Workers' Compensation payment must be refunded. Workers' Compensation records are currently being reported and monitored by the Personnel Cabinet. Please contact them with additional reporting questions.



Contact ERCE



KAR Chapter 105

COURT/BOARD ORDERED BACKPAY (REINSTATEMENTS):

If an employee is ordered to be reinstated or paid a retroactive salary amount by a Court, the Personnel Board, or the Human Rights Commission, those wages must be reported. In addition, the employer is responsible for paying the interest that the member would have earned on those contributions per [105 Kentucky Administrative Regulation 1:140](#).



Employers must contact an ERCE representative and submit any proposed reinstatement order to be reviewed by our Office of Legal Services prior to the order being entered.

KPPA will issue a [Reinstated Salary Invoice](#) with the amount due for contributions and interest. Each individual employer is responsible for invoice payment. For more information regarding invoices, see the INVOICES section below.

STATE FUNDED EXPENSE RECORDS

The elected County Judge Executive, Sheriff, and Jailer in every county, while being employees of their respective county, receive an elected official expense payment of \$200 every month, or \$600 every quarter for the County Judge Executive, from one of three KHRIS employers:

1. County Judge Executives paid by the Department of Rural & Municipal Aid;
2. Sheriffs paid by the Sheriff's Expense Allowance; and
3. Jailers paid by the Department of Corrections.

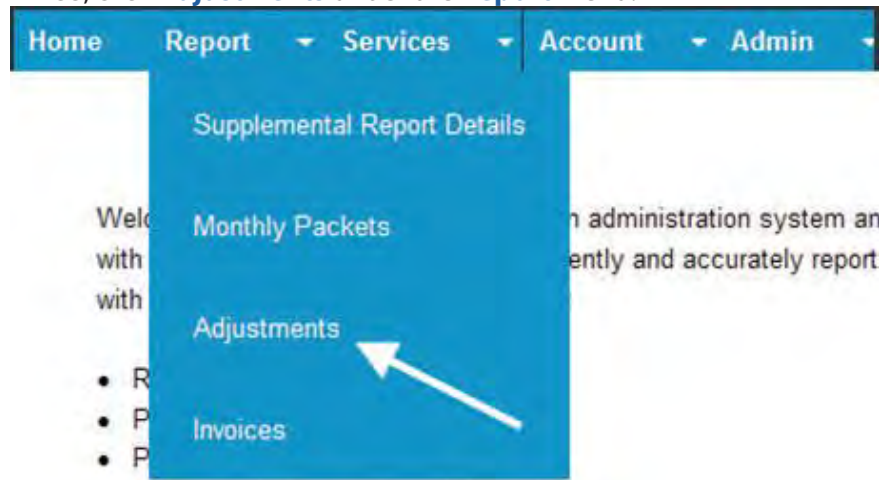
These employees should use the Sheriff or Jailer job position, except for the Department of Rural & Municipal Aid, which may use the Other job position. These employers should withhold, report and submit payment for the employee contribution and health insurance contribution from the expense payment. The employing county agency will receive an Expense Allowance Invoice for the associated employer contributions that are due.

NON-MONETARY ADJUSTMENTS

Adjustments to non-monetary fields, such as Employment End Date and Employment End Reason, must be submitted using the **Adjustments** module in ESS.

Step 1

In ESS, click **Adjustments** under the **Report** menu.



Step 2

The adjustments screen will display. Enter the member's SSN and the month range that needs to be adjusted. Click **Show**. All detail contribution records for the member for the date range will be displayed.

The screenshot shows the 'Adjustments' screen in the ESS system. The page title is 'Adjustments'. Below the title is a 'Select Member' form with the following fields:

- Member ID: 534180
- or SSN: [Empty field]
- Contributions From: 01/2021
- Contributions To: 03/2021

A green 'Show' button is located below the date range fields. A red asterisk indicates a required field. Below the form is a table titled 'Contributions' with the following data:

| Posting Month | Salary | Payment Reason | Job Position | Position Status | Employment Begin Date | Employment End Date | Adjusted |
|--|------------|----------------|--------------|-----------------|-----------------------|---------------------|----------|
| Mar 2021 more details | \$4,216.00 | Regular pay | | | 01/01/2019 | | |
| Feb 2021 more details | \$4,216.00 | Regular pay | | | 01/01/2019 | | |
| Jan 2021 more details | \$4,179.00 | Regular pay | | | 01/01/2019 | | |

Step 3

To make an adjustment to the member's detail record, click **More Details**. The detail contribution record will display. This will allow you to edit any non-monetary fields that need to be corrected. Update any necessary fields in the Employment and Leave Information sections. Click **Submit** to save and submit the adjustment

Employer Self Service Home Report Services Account Admin Site Help Employee Rep (12345) Log off

Available Forms Open

Add Member Contribution

Update appropriate fields below. To update contribution amounts, after entering the salary click **Calculate**. Once all necessary changes are made, click **Submit** to save the updated record.

Personal Information

| | |
|--|---|
| Prefix: <input type="text" value="Select Prefix"/> | SSN: <input type="text" value="XXX-XX-0001"/> |
| First Name: <input type="text" value="CARL"/> | Member ID: <input type="text" value="1000001"/> |
| Middle Name: <input type="text"/> | |
| Last Name: <input type="text" value="CHRYSLER"/> | |
| Suffix: <input type="text" value="Select Suffix"/> | |

* Required field

Contribution Information

| | |
|--|--|
| Posting Month: <input type="text" value="2/1/2021"/> | Contribution Group: <input type="text" value="GERS N12 - Cash Bal"/> |
| Payment Reason: <input type="text" value="Regular pay"/> | Salary: <input type="text" value="\$ 2836.00"/> |
| Salary that Exceeds IRS Limit: <input type="text" value="\$ 0.00"/> | Pre-Tax Employee Contribution: <input type="text" value="\$ 141.80"/> |
| Post-Tax Employee Contribution: <input type="text" value="\$ 0.00"/> | Pre-tax Health Ins Contribution: <input type="text" value="\$ 26.36"/> |
| Employer Contribution: <input type="text" value="\$ 832.24"/> | Employer Contribution: <input type="checkbox"/> Employer-paid |

* Required field

Employment Information

| | |
|---|--|
| Position Status: <input type="text" value="Regular Full Time"/> | Job Position: <input type="text" value="Other"/> |
| Employment Begin Date: <input type="text" value="06/17/2016"/> | Employment End Date: <input type="text" value="MM/DD/YYYY"/> |
| Employment End Reason: <input type="text" value="Selected Reason"/> | Payroll Frequency: <input type="text" value="Semi-Monthly"/> |
| Type of Rate of Pay: <input type="text" value="Monthly"/> | Rate of Pay: <input type="text" value="\$ 0800.00"/> |
| Estimated Additional Compensation: <input type="text" value="\$ 0.00"/> | Scheduled Hours Per Day: <input type="text" value="8.00"/> |
| Contract Days: <input type="text" value="0"/> | |

* Required field

Leave Information

| | |
|---|---|
| Accrued Sick leave hours: <input type="text" value="0.0"/> | Accrued Sick leave days: <input type="text" value="0.0"/> |
| Hours in a Sick Leave Day: <input type="text" value="0.0"/> | Compensatory Leave: <input type="text" value="0.0"/> |

Demographic Information

| | |
|---|--|
| Date of Birth: <input type="text" value="01/01/1980"/> | Gender: <input type="text" value="Male"/> |
| Email: <input type="text"/> | Marital Status: <input type="text" value="Select Marital Status"/> |
| Primary Address Line: <input type="text" value="1234 MAIN ST"/> | |
| Secondary Address Line: <input type="text"/> | |
| City: <input type="text" value="SOMEWHEREVILLE"/> | |
| State: <input type="text" value="Kentucky"/> | |
| Zip Code: <input type="text" value="40000 0000"/> | |

* Required field

INVOICES

Using the Invoice module, employers can access their credit and debit invoices, pay debit invoices, apply credit invoices, and review paid invoices. When a new credit or debit invoice is generated, the Reporting Official receives email notification.

Both credit and debit invoices can be satisfied using the eMARS system. Refer to the [eMARS Payment Option](#) section below for details.

For questions regarding invoices, please contact your ERCE representative.



Contact ERCE

Actuarially Accrued Liability Contribution (AALC) Invoice – This invoice bills KERS Nonhazardous employers for the dollar amount contribution due for their share of the unfunded liability cost. Invoices for the amounts KHRIS employers owe for the AALC are sent to each branch’s House Bill 8 contact, not to each individual employer.

Employer Purchase of Delayed Invoice – This invoice bills employers for the cost to purchase delayed service credit on behalf of a member.

Employer Purchase of Hazardous Conversion Invoice – This invoice bills employers for the cost of converting nonhazardous service to hazardous service for members employed in an approved hazardous position.

Expense Allowance Invoice – This invoice bills individual county employers for the employer contributions due on the annual expenses paid to Jailers, Sheriffs, and County Judge Executives for performance of duties.

Expired Pended Transactions Invoice – This credit invoice refunds employers for contributions associated with reporting errors that were not corrected in KHRIS, and not reflected on the Personnel Cabinet file, within the allotted time frame.

If the employer paid less in contributions than what was due, employee and health insurance contributions are refunded and the member’s service credit is reduced. In this situation, an Employer Omitted invoice is generated and the employer contributions previously paid are applied to the Employer Omitted Invoice. If applicable, the member is billed for the amount of omitted employee and health insurance contributions.

Health Insurance Reimbursement Invoice – This invoice bills employers for health insurance premiums for those members who are reported in the Retired Reemployed contribution group when the member is covered under health insurance offered by KPPA.



Multiple members and months may be included in the billing. This invoice could contain individual line item credits for corrections to previously reported contribution detail. If a member is dually employed, the amount due will be equally split between employers.

IPS Employer Refund – This credit invoice returns member contributions if the employer submits an overpayment for pre-tax IPS contributions. Post-Tax IPS overpayments are refunded directly to the member.

Master Commissioner Employer Appropriations Not Otherwise Classified (ANOC) – This invoice bills the Judicial Department Administrative Office of the Courts for employer contributions for master commissioner employees. Multiple employees and months may be included.

Member Pension Spiking Refund – This invoice refunds employers for any contributions and creditable compensation associated with a retiring member's pension spiking for salary earned after July 1, 2017.

Military Billing Invoice - This invoice bills the employer for the employer contributions and awards service credit for a member's time on active military duty. This invoice is also used to bill for employer contributions on a period of decompression service (period of time at the end of active duty). For decompression service, the member is billed separately for the employee contributions.

Monthly Report Invoice – This invoice reflects the results of any variances from the balancing process and any contribution differences from the adjustment and error correction process. It can include credits and debits for multiple members and multiple months. Prior Period Adjustments may be required by the employer to correct any issues.

Omitted Billing - This invoice bills for employer contributions due to a member's period of employment that was erroneously omitted from monthly reporting. This invoice type is issued for an individual member.

Pension Spiking Invoice – This invoice bills the last participating employer for any additional actuarial costs associated with a retired member's pension spiking for retirement dates of January 1, 2014 through June 30, 2017.

Personnel Adjustment Transactions Invoice – This invoice reflects credits or debits for transactions that cannot be accommodated in KHRIS:

- Corrections for months prior to April 1, 2011, before KHRIS was implemented. Refer to the [Adjustments section](#) above for additional information.
- Adjustments that affect only employer contributions. For some corrections KPPA makes to employee records, only the amount of employer contributions is affected. These corrections will not be reported in KHRIS. The overpayment (or underpayment) of employer contributions will be issued on this invoice

Reinstated Salary Service – This invoice reflects adjustments processed for reinstatement periods ordered by the Personnel Board, a court, or the Human Rights Commission. The invoice includes interest due on employee and employer contributions, along with the employee and employer contributions for the reinstated period.

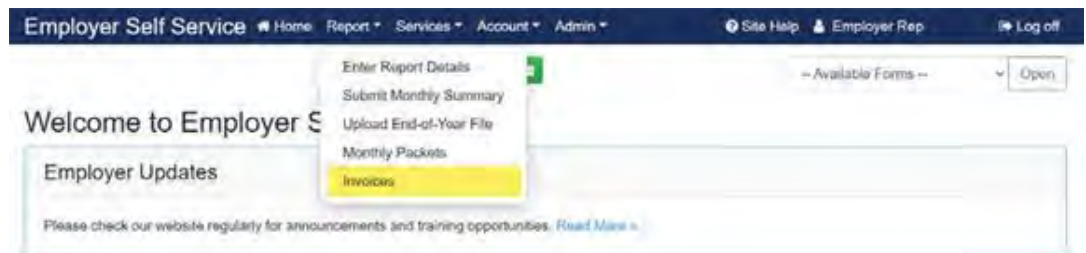
Sick Leave Billing Invoice – This invoice bills employers for the cost of the unused sick leave balance for individual members if the employer participates in the Standard Sick Leave program.

VIEW AND PAY INVOICES

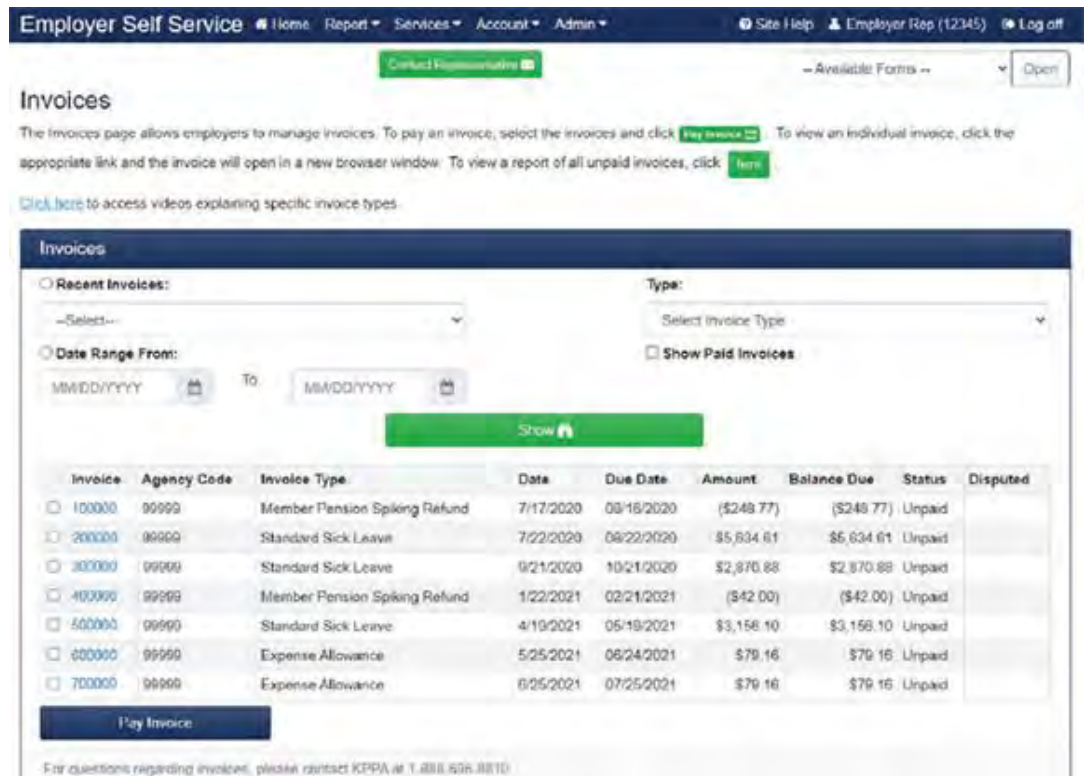
The steps below describe how to view and apply payment to invoices in ESS.

Step 1

In ESS, select **Invoices** under the **Report** menu.



Invoices can be filtered based on the most recently issued, date range, or type of invoice. By default, all unpaid and pending invoices are displayed. To view previously paid invoices, click Show Paid Invoices.



Step 2

To view a PDF of the invoice, click on the invoice number. An image of the invoice will open in a new browser window.

Step 3

To select invoice(s) for payment, click on the checkbox next to the invoice number. Multiple invoices can be selected for payment.

Step 4

When invoices have been selected, click **Pay Invoice**. ESS will display the **Pay Invoice** screen.

When an invoice is selected to pay, KPPA's Accounting Division will see this reflected on an internal report that is reviewed daily. Our accounting staff will notify the eMARS contact for the employer to provide the Internal Transaction Initiator (ITI) number created for the selected debit invoice, or request the ITI number from the employer if a credit invoice is applied. Please refer to the [eMARS Payment Option](#) section below for more information.

The screenshot shows the 'Pay Invoice' interface. At the top, there is a navigation bar with 'Employer Self Service' and various menu items. Below the navigation bar, there is a 'Pay Invoice' section with a '1' in a blue circle indicating the current step. The instructions state: 'To apply payment to selected invoice(s), click the **Edit** link beside the appropriate payment account(s), enter the amount and click **Apply**. When Balance Remaining is equal to \$0.00, click **Continue to Step 2**.' Below this, there is a question: 'Do you want to add a new payment account?'. The main table has two columns: 'Pay From' and 'Amount'. The first row shows 'eMARS' with an amount of '\$0.00' and an 'Edit' button. Below the table, there is a summary section with the following values:

| | |
|---------------------------|-------------------|
| Total Applied: | \$0.00 |
| Balance Remaining: | \$5,634.61 |
| Invoice #200000 | \$5,634.61 |
| Total Amount Due: | \$5,634.61 |

At the bottom of the summary section, there are two buttons: 'Continue to Step 2' (green) and 'Cancel' (grey). A note at the bottom states: '* Scheduled payments are usually drafted within 2-4 business days.'

Step 5

To apply payment from an existing payment account, click **Edit** on the row for that payment account.



You may add a new payment account by clicking **add a new payment account?**

Step 6

Enter the amount of the payment to apply from the payment account and the check number, if applicable, and click **Apply**. To cancel payment from this account click Cancel. To apply payments from multiple accounts, repeat this process with each account.

Employer Self Service Home Report Services Account Admin Site Help Employer Rep (12345) Log off

Correct Registration

Available Forms Open

Pay Invoice

Step 1 of 2

To apply payment to selected invoice(s), click the **Link** link beside the appropriate payment account(s), enter the amount and click **Apply**. When Balance Remaining is equal to \$0.00, click **Continue to Step 2**.

Do you want to add a new payment account?

| | | |
|---------------------------|---------------|-------------------|
| Pay From | Amount | |
| e-MARS | \$ 0.00 | Apply Cancel |
| Total Applied: | | \$0.00 |
| Balance Remaining: | | \$5,634.61 |
| Invoice #311498 | | \$5,634.61 |
| Total Amount Due: | | \$5,634.61 |

Continue to Step 2 Cancel

* Scheduled payments are usually drafted within 2-4 business days.

Step 7

Once the Balance Remaining equals zero, click **Continue to Step 2**.

Step 8

Verify the payment information. To change, click **Edit**. If correct, enter your PIN and click **Submit**.

Employer Self Service Home Report Services Account Admin Site Help Employer Rep (12345) Log off

Correct Registration

Available Forms Open

Pay Invoice

Step 2 of 2

Verify the payment information. To change the information, click **Link**. To cancel without saving, click **Cancel**. To pay the invoice, enter user PIN and click **Submit**.

Review

Payment Date: 7/20/2021

Payment From: e-MARS

Payment Amount: \$5,634.61

KPPA PIN:

Edit Submit Cancel

* Required field

* Scheduled payments are usually drafted within 2-4 business days.

EMARS PAYMENT OPTION

If the eMARS payment option is selected, the employer must initiate the next steps for any credits. KPPA will initiate the next steps for any debits.



EMAIL
[FinanceGroup](mailto:FinanceGroup@kyret.ky.gov)

Credit Invoices

Employers should provide a copy of the invoice to their eMARS contact to create the ITI receipt for payment in eMARS. Once the ITI is created, the eMARS contact should email the eMARS ITI number to FinanceGroup@kyret.ky.gov.

Multiple Invoices Resulting In An Overall Credit

Employers should provide a copy of the invoice to their eMARS contact to create the ITI receipt for payment in eMARS. Once the ITI is created, the eMARS contact should email the eMARS ITI number to FinanceGroup@kyret.ky.gov.

For Debit Invoices

KPPA will create the ITI in eMARS. Once this is created, KPPA will email the eMARS contact to provide the appropriate ITI number so they may apply the Internal Transaction Agreement (ITA) payment.

For Multiple Invoices Resulting In An Overall Debit

KPPA will create the ITI in eMARS. Once this is created, KPPA will email the eMARS contact to provide the appropriate ITI number so they may apply the ITA payment.



Contact ERCE

If you have questions regarding eMARS payments, please contact your ERCE Representative for assistance.

MONTHLY PACKET

SELF SERVICE

LOGIN

KPPA produces multiple reports regarding the previous month's report submission each month for employers. These reports are provided to employers as an electronic monthly packet available in ESS. After the monthly report is received from the employer and processed by KPPA, the monthly packet is prepared (usually near the end of the month). Once this process is complete, the Reporting Official receives an email notification that the monthly packet is ready to view. The contents of the monthly packet will vary each month depending on the information included in the previous month's report.

The reports contain data regarding the previous report, such as errors that need to be resolved prior to the next report submission. Some reports in the packet may be informational, while others may require an employer to take action on a certain item.

Please carefully review the contents of your packet each month and ensure that any relevant actions are taken in a timely manner.

The following section explains the monthly packet and what steps the employer should take to address the different reports.

Step 1

In ESS, click **Monthly Packets** under the **Report** menu.

Step 2

Select the Fiscal Year and Month Generated from the drop-downs. ESS will display a listing of reports available for the selected month.

Employer Self Service Home Report Services Account Site Help Employer Rep Log off

Contact Representative Available Forms Open

Monthly Packets

To view a monthly packet, please choose the Fiscal Year and Month Generated from the menus below. To view an individual report, select the appropriate link and the report will open in a new browser window.

Please Note: Reports are generated for the monthly packet as necessary based on the information reported in the previous month's contribution detail submission. Due to this, the number of monthly packet reports could vary from month to month.

Fiscal Year: 2020-2021
Month Generated: 5/1/2021

| REPORT NAME | RETIREMENT SYSTEM CODE |
|--|------------------------|
| Leave Without Pay Report | CERS |
| Demographic Error Report | CERS |
| Missing Employment End Date (W000) | CERS |

Step 3

To view an individual report, click on the applicable **Report Name** link. The selected report will open in a new window.

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MONTHLY PACKET REPORTS



Contact ERCE

The following reports may be included in the Monthly Packet. For questions regarding these reports, please contact your ERCE representative.

Demographic Errors Report

This report contains a list of errors related to employee demographics, such as mailing address, found in the previous month's report.

Review the error listing and make the appropriate corrections to your report in the next month.

Installment Purchase Delinquent Report

The Installment Purchase Delinquent Report will be generated if an employee's installment payment was not reported as required in the previous month's report.

To correct this, make the appropriate adjustments to deduct the delinquent amount of payments and remit those payments, along with the regularly scheduled installment payment, on the next month's report.

Installment Purchase Ending Contract Report

The Installment Purchase Ending Contract Report is generated for any employee who has an installment contract to purchase service that is ending within the next two report months.

Employers should make the appropriate changes to stop deductions when the contract is complete. Any payments reported over the amount owed will be returned to the employer to refund to the member.

Installment Purchase New Contract Report

The Installment Purchase New Contract Report includes a listing of all employees who will be starting a new installment contract to purchase service

Employers should set up the specified deductions to be submitted on the appropriate month's report.

Leave Without Pay Report

The Leave Without Pay Report is a listing of any employees who were reported with a payment reason of Leave Without Pay for the first time. These employees will appear on the report again the first month they are reported with a payment reason other than Leave Without Pay.

When an employee first appears on this report, the employer should complete Form 2023, Leave Without Pay Verification, in ESS for each of these employees. The employer must complete another Form 2023 for each employee who returns to employment or terminates from Leave Without Pay.



If an employee has an active IPS contract and goes on Leave Without Pay, the IPS contract may be suspended until the employee returns to work.

Missing Employment End Date Report

The Missing Employment End Date Report lists all employees who were omitted from the last monthly report, and did not have an Employment End Date reported.

Employers should make the appropriate adjustments to the previous month's record by either reporting an Employment End Date or including the appropriate contribution record on the next report.



Employees will not be eligible to retire or to receive a refund of contributions if an Employment End Date is not received.

Missing Form 2011, Hazardous Duty Certification HP-2 Report

The Missing Form 2011, Hazardous Duty Certification HP-2 Report contains a listing of all employees who have been reported with a hazardous contribution group in a position that has not yet been verified with KRS.

SELF SERVICE



Employers need to verify the position(s) in ESS by submitting a Form 2011 for each employee listed on this report. A new Form 2011 is required when an employee begins participating in a hazardous contribution group and also when an employee changes job positions to a new hazardous position. The Form 2011 requires a physical examination date; KRS requests that a copy of the physical examination accompany the Form 2011 when submitted to KRS.

Missing Form 6487, Request for Member Pension Spiking Exemption Amount Form

This Report contains a listing of all employees who have been identified for member pension spiking, but the employer has not returned the Form 6487. Employers need to submit a Form 6487 for each employee listed on this report.

Pended Averaging Transaction Report

This report contains a listing by member of transactions that were reported to KPPA for a period that has been determined not to average over a fiscal or calendar year. These records should be corrected in your payroll system so that the correcting records may be reported by the Personnel Cabinet as soon as possible.

Pended Transaction Report

This report contains a listing by member of the corrections KRS has made to records previously reported by the Personnel Cabinet on behalf of the individual employers. The report lists the original records reported and the correction made to the record by KRS, as well as the variance between these two records. These records were corrected and are now in pended status in the KRS system.

Upon receipt of this report, the corrections included should be keyed by the employer in KHRIS. Once the corrections have been made in payroll, those corrected records will be reported to KRS, and the pended transaction will be satisfied.

This report reflects the age of each transaction. There is also be a section of the report that informs the employer that the transactions will be reversed if corrections are not received within the month. If the corrections are not received, the contributions could be reversed and sent to the employer via an Expired Pended Transaction invoice, as described in the Invoice section.

If this report contains records that you cannot correct in your payroll system, it is very important that you contact your ERCE representative as soon as possible to correct the account.



Contact ERCE

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Kentucky Public Pensions Authority

CHAPTER

5

Other ESS Functionality

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Access

EMPLOYER REPORTING, COMPLIANCE & EDUCATION

REVISED 07/2021

DOWNLOAD MEMBER ID

When a new employee is reported to KPPA, the member is assigned a unique identifier called a Member ID, which will follow the person from his or her membership through retirement. All employees, participating and non-participating, will be assigned a Member ID.



The Download Member ID module in Employer Self Service (ESS) allows an employer to view and download the Member ID, Social Security Number, Name, Participation Date and Contribution Group Category of its employees.

The employer must report the Member ID and Contribution Group to KPPA each month on the monthly report (with the exception of Member ID for new hires being reported for the first time). For employers who use the Enter Report Details module to submit the monthly detail report, once a Member ID has been assigned to an employee, the Member ID will automatically populate in the details report. These employers may still use this module to obtain the Contribution Group information, but only employers who report using the Upload Detail File module will need to download the Member ID file. Employers must obtain the Member ID and Contribution Group information from KPPA to determine accurate reporting of a member's contributions.



The Download Member ID module provides employers the following options:

- **Newly Created Members:** Download data using the last date downloaded. This option includes all new members reported by the agency since the last time the agency downloaded the Member ID file.
- **Date of Employment:** Download data using an Employment Date. The ESS user will enter an employment begin date to retrieve all members reported by the employer with an employment begin date greater than or equal to the date entered.
- **Report Month:** Download data using a specific report month and year. The ESS user will enter a report month and year to retrieve all members included on the specified report.
- **Social Security Number (SSN):** Search by entering the employee's SSN. The ESS user will enter the SSN to retrieve the Member ID and Contribution Group Category for that employee. Multiple SSNs can be entered to create a file that the employer can download.



Regardless of the option the employer chooses, the results may be downloaded into an ASCII flat file. Employers should refer to the [Member ID Download File Format](#).

The following table lists the various results for contribution group categories and the corresponding amount of contributions owed for that category.

| CONTRIBUTION GROUP CATEGORY | INSTRUCTIONS |
|--|--|
| Without Health Insurance | Report the employee contributions (ex. 5% for nonhazardous and 8% for hazardous) as well as the required employer contributions. The additional 1% Health Insurance Contribution is not required. |
| With Health Insurance | Report the appropriate employee contributions (ex. 5% for nonhazardous and 8% for hazardous) and the additional 1% Health Insurance Contribution as well as the required employer contributions. |
| Cash Balance | Report the appropriate employee contributions (ex. 5% for nonhazardous and 8% for hazardous) and the additional 1% Health Insurance Contribution as well as the required employer contributions. |
| Retired/ Reemployed | Report only the required employer contributions (0% employee contributions). |
| The SSN entered is not found in the KPPA system. Please double check your entry. If this is a new member being reported to KPPA for the first time, then a Member ID will be assigned to this individual once received and processed by KPPA. Since this member does not currently exist in our system, the member should be reported in the Cash Balance Contribution Group. | If SSN was correct, then report the appropriate employee contributions (ex. 5% for non-hazardous and 8% for hazardous) and the additional 1% Health Insurance Contribution as well as the required employer contributions. |



READ MORE
[Chapter 2:](#)
[Employee](#)
[Reporting](#)

Refer to [Chapter 2](#) for more information on Contribution Groups.

DOWNLOAD MEMBER ID - NEWLY CREATED MEMBERS

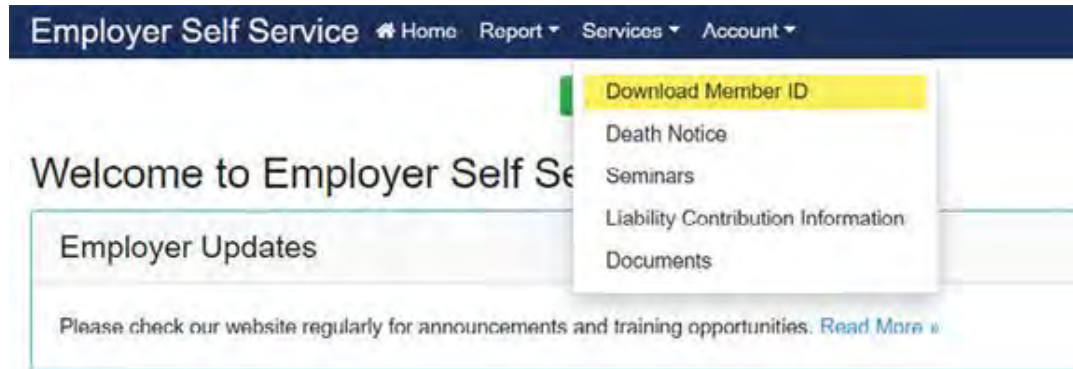
This option allows you to download Member IDs created since you last downloaded the Member ID file.

Step 1

In ESS, click **Download Member ID** located under the **Services** menu.

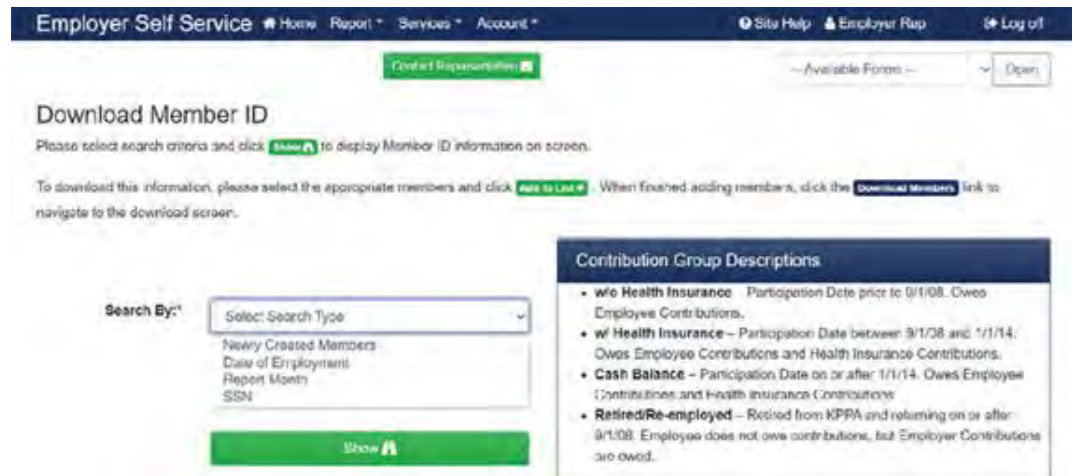
SELF SERVICE

LOGIN



Step 2

Select **Newly Created Members** from the Search By drop-down list and click **Show**.



Step 3

To select the employees to download, click the indicator box next to the name. To Select All, click **Select All**. Once the employees have been selected, click **Add to List**.

Employer Self Service Home Report Services Account Site Help Employer Rep Log off

Contact Representatives Available Forms Open

Download Member ID

Please select search criteria and click **Show** to display Member ID information on screen.

To download this information, please select the appropriate members and click **Add to List**. When finished adding members, click the **Download Members** link to navigate to the download screen.

Search By: Newly Created Members **Show**

Contribution Group Descriptions

- w/o Health Insurance** – Participation Date prior to 9/1/08. Owes Employee Contributions.
- w/ Health Insurance** – Participation Date between 9/1/08 and 1/1/14. Owes Employee Contributions and Health Insurance Contributions.
- Cash Balance** – Participation Date on or after 1/1/14. Owes Employee Contributions and Health Insurance Contributions.
- Retired/Re-employed** – Retired from KPPA and returning on or after 9/1/08. Employee does not owe contributions, but Employer Contributions are owed.

Items Per Page: 5

| Member | Contribution Group | Participation Date | Downloaded Date |
|---|----------------------|--------------------|-----------------|
| <input type="checkbox"/> 111111 John Doe XXX-XX-0001 | Cash Balance | | |
| <input type="checkbox"/> 111112 Bob Smith XXX-XX-0002 | W/ Health Insurance | 11/01/2012 | |
| <input type="checkbox"/> 111113 Suzie Smith XXX-XX-0003 | W/ Health Insurance | 11/01/2012 | |
| <input type="checkbox"/> 111114 Jane Doe XXX-XX-0004 | w/o Health Insurance | 10/01/2000 | |
| <input type="checkbox"/> 111115 Tom Smith XXX-XX-0005 | Cash Balance | | |

Add to List **Download Members**



If there is more than one page of records, you must select the members you wish to download and then click **Add to List** for each page of records. Another option is to change the display to "All" in the Items Per Page drop-down box so that all records are displayed.

Employer Self Service [Home](#) [Report](#) [Services](#) [Account](#) [Site Help](#) [Employer Rep](#) [Log off](#)

[Contact Representative](#) -- Available Forms -- [Open](#)

Download Member ID

These are the members ready to download to file.

To remove a member from the list click [Remove](#).

To continue searching for members to download click [Continue Searching](#).

[Continue Searching](#) Items Per Page: 25

| Member | Contribution Group | Participation Date | Downloaded Date |
|--------------------------------------|----------------------|--------------------|------------------------|
| 111111 John Doe XXX-XX-0001 | Cash Balance | | Remove |
| 111112 Bob Smith XXX-XX-0003 | w/ Health Insurance | 11/01/2012 | Remove |
| 111113 Suzie Smith XXX-XX-0005 | w/ Health Insurance | 11/01/2012 | Remove |
| 111114 Jane Doe XXX-XX-0002 | w/o Health Insurance | 10/1/2000 | Remove |
| 111115 Tom Smith XXX-XX-0004 | Cash Balance | | Remove |

[Continue Searching](#) [Download to File](#)

Step 4

To save the file on your computer, click [Download to File](#).



If you report for more than one employer, all member IDs for all employers will display and download in the file. The file will separate employees by employer code in the headers, footers and detail sections.

Step 5

If you would like to open the file, click [Open](#). Otherwise, click [Save](#).

Step 6

Save the file in your desired location (on your computer/network).

DOWNLOAD MEMBER ID - BY DATE OF EMPLOYMENT

This option allows you to download only Member IDs for those employees whose employment began with your agency on or after a specified date.

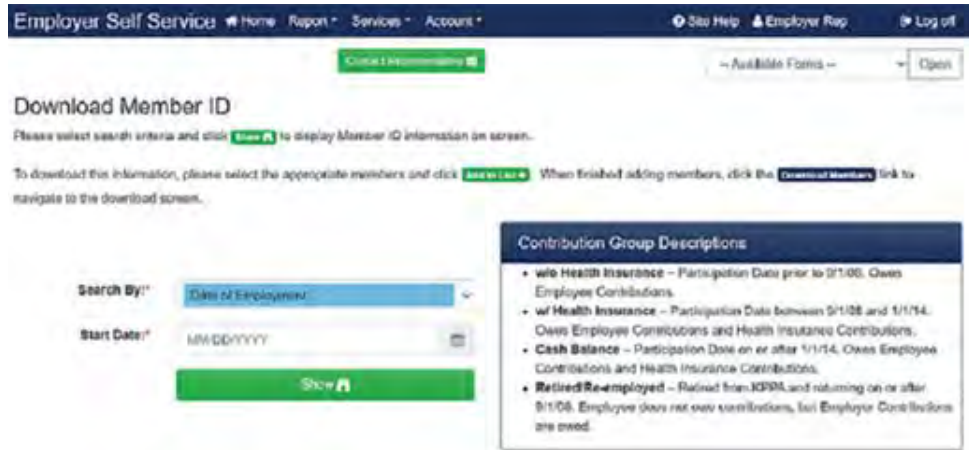


Step 1

In ESS, click **Download Member ID** located under the **Services** menu.

Step 2

Select **Date of Employment** from the Search By drop-down list. The following screen will display:

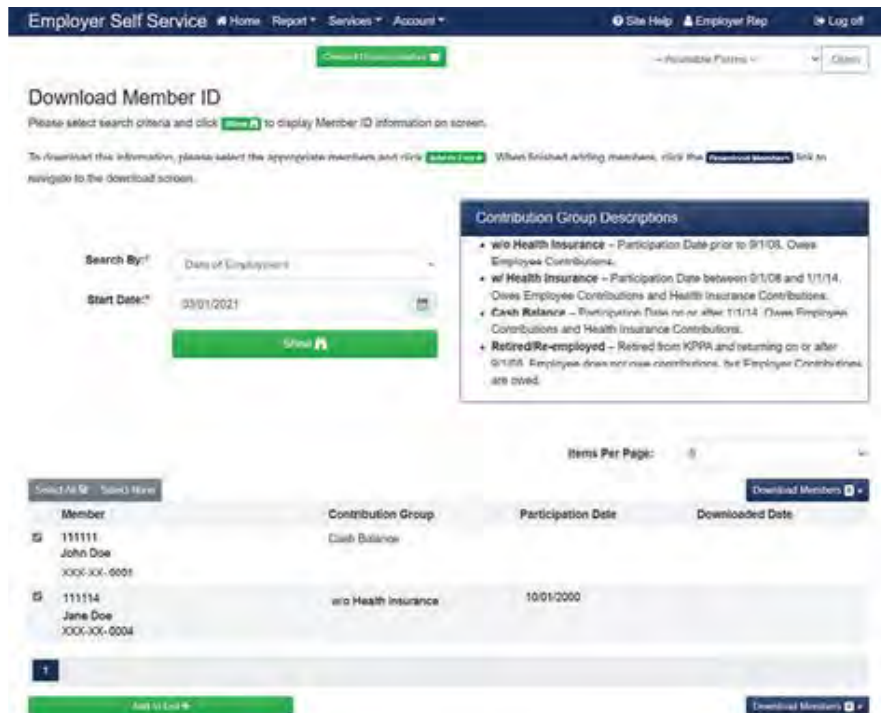


Step 3

Enter a **Start Date** or select a date from the calendar.

Step 4

Click **Show**. The Member IDs for all employees added to your report since the date entered are displayed on the following screen:



Step 5

To select the employees to download, click the indicator box next to the name. To select all, click **Select All**. Once the employees have been selected, click **Add to List**.



If there is more than one page of records, you must select the members you wish to download then click **Add to List** for each page of records. Another option is to change the display to "All" in the Items Per Page drop-down so that all records are displayed.

Step 6

To save the file on your computer, click **Download Members**.

The screenshot shows the 'Employer Self Service' interface. At the top, there are navigation links for Home, Report, Services, and Account. Below that, there are buttons for 'Contact Representative' and 'Available Forms'. The main heading is 'Download Member ID'. A green banner states 'These are the members ready to download to file'. Below this, there are instructions on how to remove a member and a 'Continue Searching' button. A table lists the members with columns for Member ID, Name, Contribution Group, Participation Date, and Downloaded Date. Each row has a 'Remove' button. At the bottom, there is another 'Continue Searching' button and a 'Download to File' button.

| Member | Contribution Group | Participation Date | Downloaded Date |
|--------------------------------------|----------------------|--------------------|-----------------|
| 111111 John Doe XXX-XX-0001 | Cash Balance | | |
| 111112 Bob Smith XXX-XX-0003 | w/ Health Insurance | 11/01/2012 | |
| 111113 Suzie Smith XXX-XX-0005 | w/ Health Insurance | 11/01/2012 | |
| 111114 Jane Doe XXX-XX-0002 | w/o Health Insurance | 10/1/2000 | |
| 111115 Tom Smith XXX-XX-0004 | Cash Balance | | |



If you report for more than one employer, all Member IDs for all employers will display and download in the file. The file will separate employees by employer code in the headers, footers, and detail sections.

Step 7

If you would like to open the file, click **Open**. Otherwise, click **Save**.

Step 8

Save the file in your desired location (on your computer/network) .

DOWNLOAD MEMBER ID - BY REPORT MONTH

This option allows you to download only the Member IDs of employees reported for a specific report month.

SELF SERVICE



Step 1

In ESS, click [Download Member ID](#) located under the [Services](#) menu.

Step 2

Select the [Report Month](#) from the Search By drop-down list. Enter a [Report Month](#) or select a date from the calendar.

Step 3

Click [Show](#). The Member IDs for all employees for the Report Month entered are displayed on the following screen:

| Member | Contribution Group | Participation Date | Downloaded Date |
|---|---------------------|--------------------|-----------------|
| <input type="checkbox"/> 111111 John Doe XXX-XX-0001 | Cash Balance | | |
| <input type="checkbox"/> 111112 Bob Smith XXX-XX-0002 | w/ Health Insurance | 11/01/2012 | |

Step 4

To select the employees to download, click the indicator box next to the name. To Select All, click **Select All**. Once the employees have been selected, click **Add to List**.



If there is more than one page of records, you must select the members you wish to download and then click **Add to List** for each page of records. Another option is to change the display to "All" in the Items Per Page drop-down so that all records are displayed.

Step 5

To save the file on your computer, click **Download Members**.

Employer Self Service Home Report Services Account Site Help Employer Rep Log off

Contact Representative Available Forms Open

Download Member ID

These are the members ready to download to file.

To remove a member from the list click **Remove**.

To continue searching for members to download click **Continue Searching**.

Continue Searching Items Per Page: 25

| Member | Contribution Group | Participation Date | Downloaded Date |
|-------------------------------------|----------------------|--------------------|-----------------|
| 111111 John Doe XXX-XX-0001 | Cash Balance | | |
| 111112 Bob Smith XXX-XX-0003 | w/ Health Insurance | 11/01/2012 | |
| 111113 Suze Smith XXX-XX-0005 | w/ Health Insurance | 11/01/2012 | |
| 111114 Jane Doe XXX-XX-0002 | w/o Health Insurance | 10/1/2000 | |
| 111115 Tom Smith XXX-XX-0004 | Cash Balance | | |

Continue Searching Download to File



If you report for more than one employer, all member IDs for all employers will display and download in the file. The file will separate employees by employer code in the headers, footers, and detail sections.

Step 6

If you would like to open the file, click **Open**. Otherwise, click **Save**.

Step 7

Save the file in your desired location (on your computer/network).

DOWNLOAD MEMBER ID - BY SSN

This option allows you to download only the Member ID of the SSN entered. This information allows employers to accurately deduct the correct contribution rate for the employees from the beginning of employment.

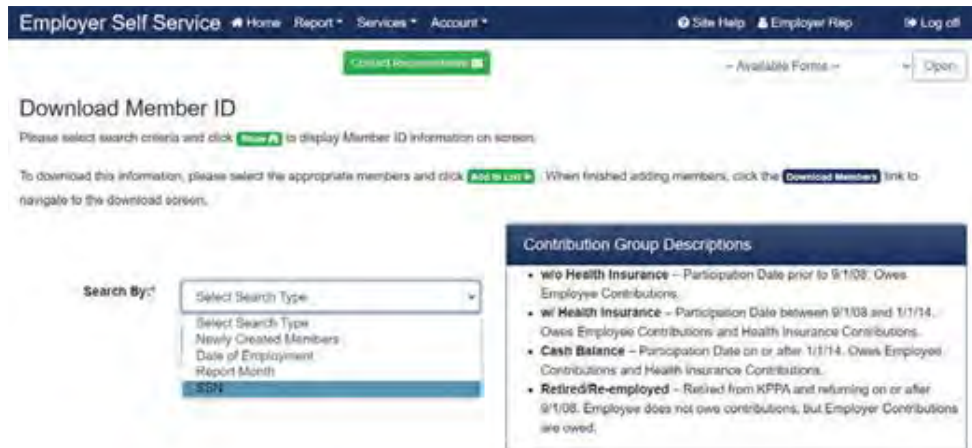


Step 1

In ESS, click **Download Member ID** located under the **Services** menu.

Step 2

Select **SSN** from the Search By drop-down list. The following screen will display:

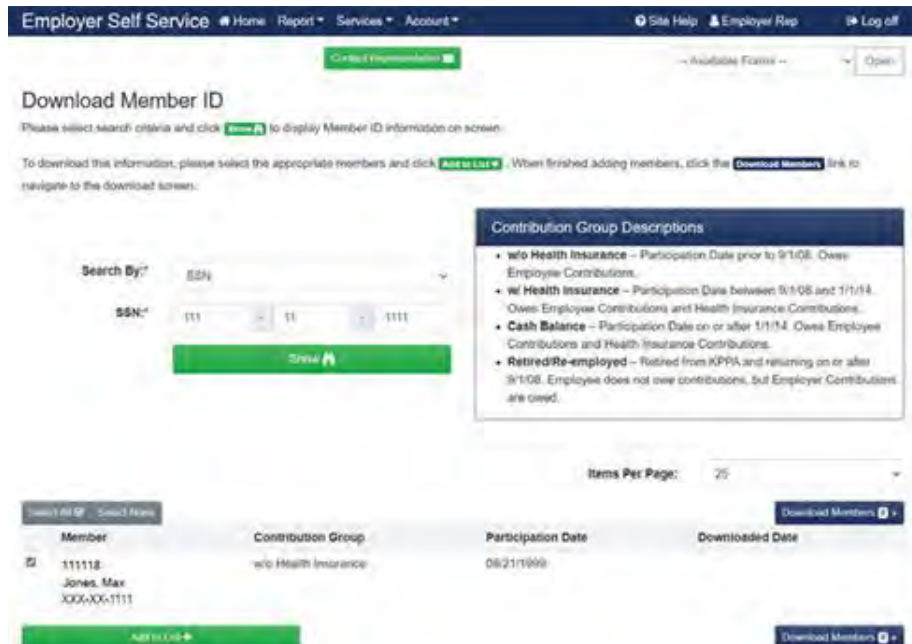


Step 3

Enter the employee's SSN.

Step 4

Click **Show**. ESS will display the following screen:



If you receive the following message: *“The SSN entered is not found in the KPPA system. Please double check your entry. If this is a new member being reported to KPPA for the first time, then a member ID will be assigned to this individual once received and processed by KPPA. Since this member does not currently exist in our system, the member should be reported in the Cash Balance Contribution Group.”*; double check that the SSN entered was correct. If the SSN was correct, then report the employee in the Cash Balance Contribution Group.

Step 5

Repeat **Step 3** and **Step 4** to add additional Social Security numbers.

Step 6

To select the employee(s) to download, click the indicator box next to the name. To Select All, click **Select All**. Once the employees have been selected, click **Add to List**.

Step 7

To save the file on your computer, click **Download Members**.



If you report for more than one employer, all Member IDs for all employers will display and download in the file. The file will separate employees by employer code in the headers, footers, and detail sections.

Step 8

If you would like to open the file, click **Open**. Otherwise, click **Save**.

Step 9

Save the file in your desired location (on your computer/network).

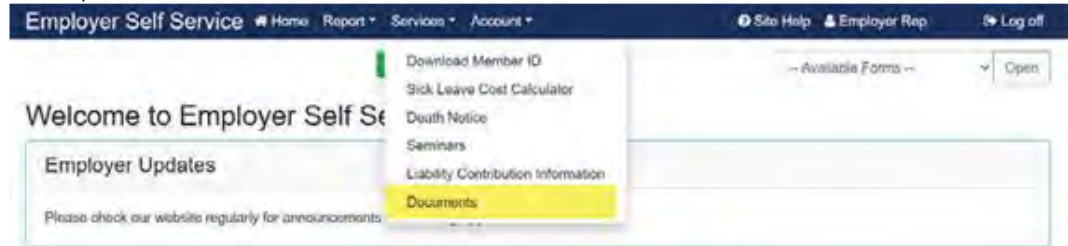
DOCUMENT UPLOAD

Employers can upload documents electronically to KPPA via the Documents module in ESS. This module provides the employer the ability to submit documentation related to the employer account or for specific employees within the agency.

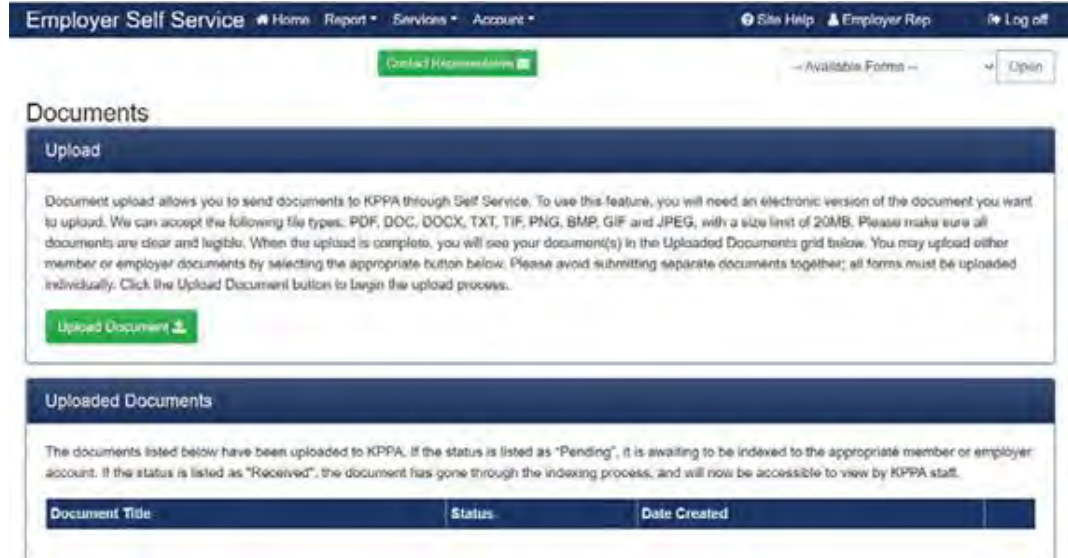
UPLOADING EMPLOYER DOCUMENTS

Step 1

In ESS, click **Documents** under the **Services** menu.



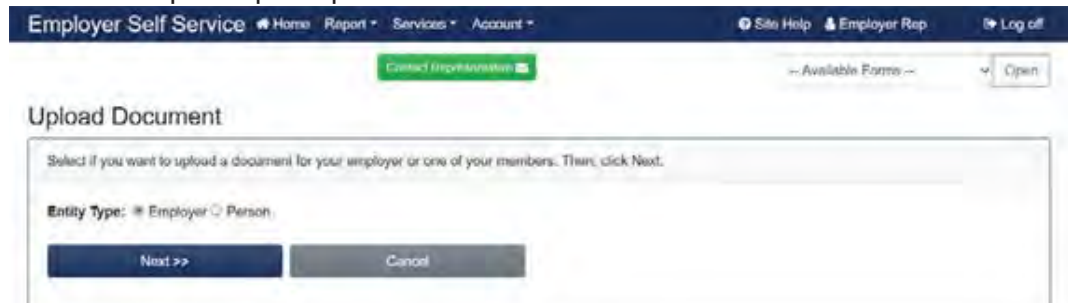
The upload document screen will display.



Click **Upload Document** to navigate to the Employer/Person Document selection screen.

Step 2

Click the radio button for the appropriate document type and click **Next** to continue or **Cancel** to stop the upload process.



Step 3

Select the form number or “Other” in the dropdown list to identify document for upload, then click **Next** to continue or **Cancel** to stop the upload process.

The screenshot shows the 'Upload Document' section of the Employer Self Service portal. At the top, there is a navigation bar with 'Employer Self Service', 'Home', 'Report', 'Services', and 'Account'. Below this is a green button labeled 'Contact Representative' and a dropdown menu for 'Available Forms' with an 'Open' button. The main content area is titled 'Upload Document' and contains the following text: 'To upload your document, please select the type of document you would like to upload from the Available Forms dropdown below. If you do not see the name of the form you would like to upload, please choose "Other". Then, click Next.' Below this text is a 'Document Type:' label and a dropdown menu. The dropdown menu is open, showing the following options: 'Available Forms', '6200 - Health Insurance Enrollment Form', 'Date of Birth Verification', 'Driver's License', 'Death Certificate', 'Marriage Certificate', and 'Other'.

Step 4

Click **Choose File** to find and select the document saved to your device for upload, then click **Next** to continue or **Cancel** to stop the upload process.

The screenshot shows the 'Upload Document' section of the Employer Self Service portal. At the top, there is a navigation bar with 'Employer Self Service', 'Home', 'Report', 'Services', and 'Account'. Below this is a green button labeled 'Contact Representative' and a dropdown menu for 'Available Forms' with an 'Open' button. The main content area is titled 'Upload Document' and contains the following text: 'To select the document you would like to upload, click the Choose File button to find and select the item saved to your computer or device. Once you have selected the item, and the name shows in the box, click Next.' Below this text is a text box containing the filename 'Employer_Form.pdf' and a 'Choose File' button. Below the text box are 'Next' and 'Cancel' buttons.



Upload only one document at a time. A multiple page document is acceptable, as long as the document does not exceed 20 MB in size. KPPA cannot accept multiple documents in the same upload, even if the documents are the same form number.

Step 5

Review the document image for clarity and content by clicking on the thumbnail image. If the document is accurate and acceptable, close the pop-up window and click **Upload** to continue.

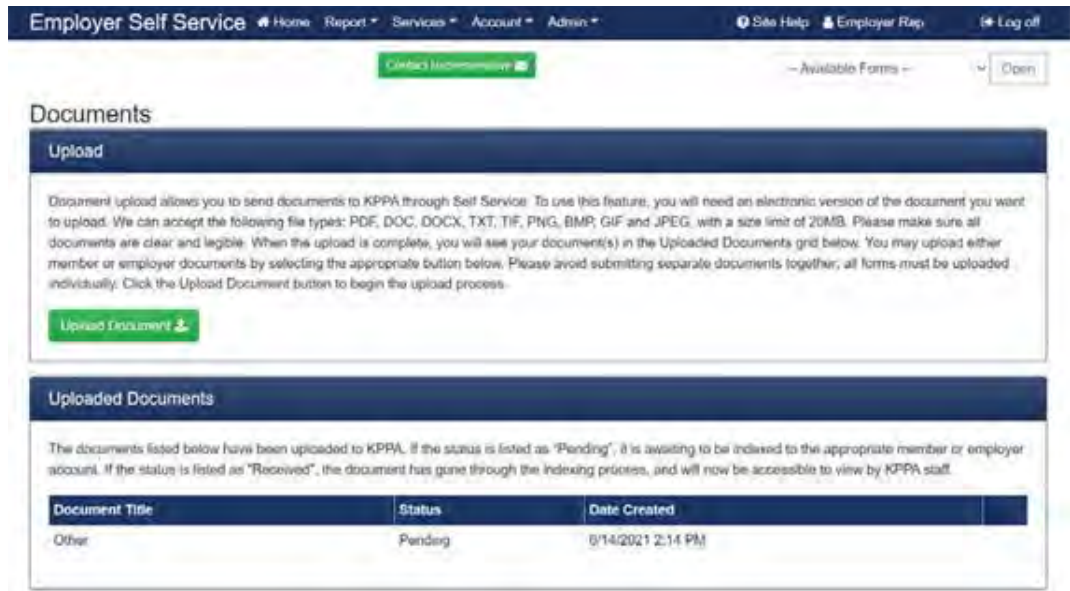
The screenshot shows the 'Employer Self Service' portal header with navigation links: Home, Report, Services, Account, Admin, Site Help, Employer Rep, and Log off. Below the header is a green 'Contact Representatives' button and a dropdown menu for 'Available Forms' with an 'Open' button. The main content area is titled 'Upload Document' and contains the following text: 'Confirm your selection by clicking the image of the document below. If you are satisfied with the clarity of the document, please click the Upload button to submit the document to KPPA. Repeat this process for each document you wish to submit.' Below this text, it says 'Document Type: Other' and 'Document:'. A thumbnail image of a document is displayed, with a red arrow pointing to it. At the bottom of the form are two buttons: 'Upload' and 'Cancel'.

If the image is not acceptable, close the pop-up window and click **Cancel** and the system will navigate you back to the start of the process.

Step 6

Click the link to return to the Document home screen to view the pending document or to upload another document.

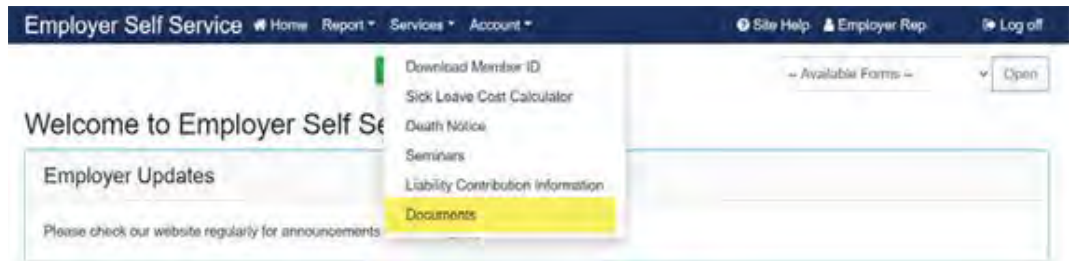
The screenshot shows the 'Employer Self Service' portal header with navigation links: Home, Report, Services, Account, Admin, Site Help, Employer Rep, and Log off. Below the header is a green 'Contact Representatives' button and a dropdown menu for 'Available Forms' with an 'Open' button. The main content area is titled 'Upload Document' and features a green banner with the text 'Submission Successful!'. Below the banner is a link that says 'Click here to return to the previous page.'



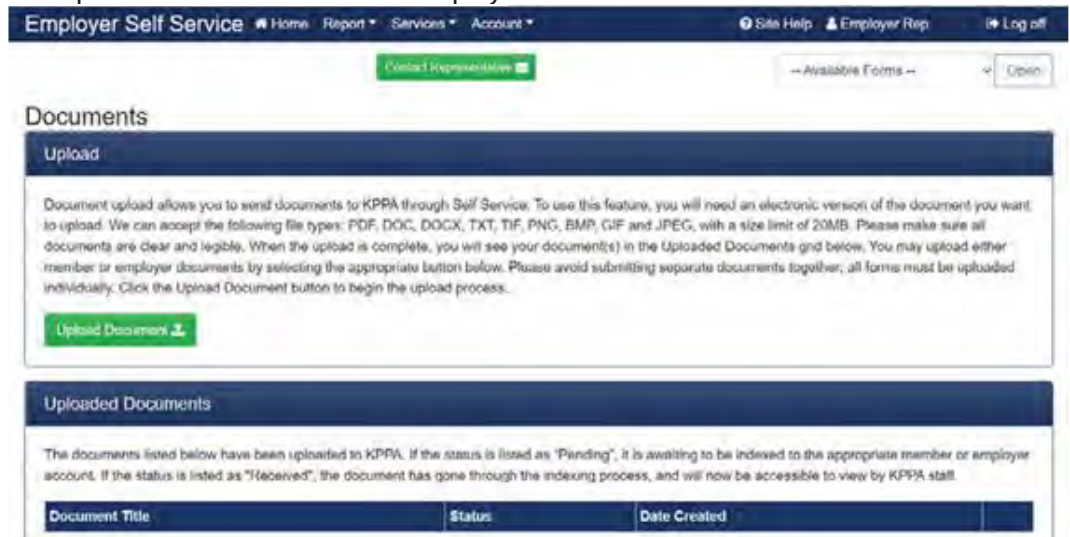
UPLOADING PERSON DOCUMENTS

Step 1

In ESS, click **Documents** under the **Services** menu.



The upload document screen will display.



Click **Upload Document** to navigate to the Employer/Person Document selection screen.

Step 2

Click the radio button for the appropriate document type, enter the Person ID (KPPA Member ID) or SSN and click **Next** to continue or **Cancel** to stop the upload process.

Step 3

Select the form number or "Other" in the dropdown list to identify the document for upload, then click **Next** to continue or **Cancel** to stop the upload process.

Step 4

Click **Choose File** to find and select the document saved to your device for upload, then click **Next** to continue or **Cancel** to stop the upload process.



Upload only one document at a time. A multiple page document is acceptable, as long as the document does not exceed 20 MB in size. KPPA cannot accept multiple documents submitted in the same upload, even if the documents are the same form number or for the same person.

Documents submitted for multiple employees under one KPPA Member ID or SSN will result in a processing delay.

Step 5

Review the document image for clarity and content by clicking on the thumbnail image. If the document is accurate and acceptable, close the pop-up window and click **Upload** to continue.

The screenshot shows the 'Upload Document' interface. At the top, there is a navigation bar with 'Employer Self Service' and various menu items like 'Home', 'Report', 'Services', 'Account', and 'Admin'. There are also links for 'Site Help', 'Employer Rep', and 'Log off'. Below the navigation bar, there is a 'Contact Representative' button and a dropdown menu for 'Available Forms' with an 'Open' button. The main content area is titled 'Upload Document' and contains a confirmation message: 'Confirm your selection by clicking the image of the document below. If you are satisfied with the clarity of the document, please click the Upload button to submit the document to KPPA. Repeat this process for each document you wish to submit.' Below this message, there is a 'Document Type' field set to 'Other' and a 'Document:' label. A thumbnail image of a document is displayed, with a red arrow pointing to it. Below the thumbnail are two buttons: 'Upload' and 'Cancel'.

If the image is not acceptable, close the pop-up window and click **Cancel** and the system will navigate you back to the start of the process.

Step 6

Click the link to return to the Document home screen to view the pending document or to upload another document.

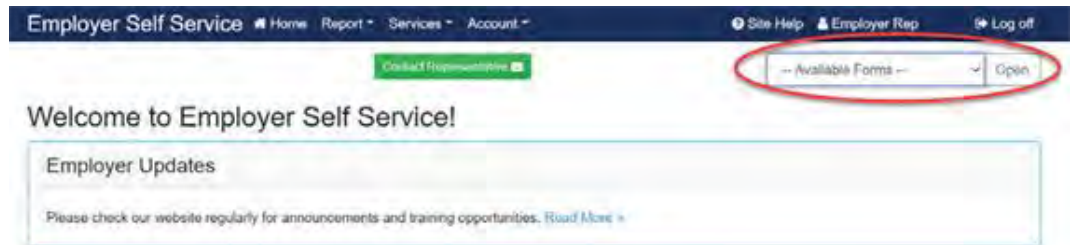
The screenshot shows the 'Upload Document' interface after a successful submission. The navigation bar and 'Contact Representative' button are the same as in the previous screenshot. However, the 'Available Forms' dropdown menu is now closed. A large green banner at the top of the main content area displays the message 'Submission Successful'.

AVAILABLE FORMS

Many employer forms are accessible from any screen in ESS by using the drop-down box located at the top of each page. Forms including member information will require the Member ID. Member IDs may be retrieved using the Download Member ID module.

To view a form, click the Available Forms drop-down list and select the form. Then click **Open** to view the form as a PDF in a separate window.

SELF SERVICE



Examples of the most commonly used forms and instructions on how to complete them are available in [Appendix A: Forms](#).



E-forms can be submitted in ESS with an employer Personal Identification Number (PIN). Other forms can be printed and submitted by mail or fax. Some forms are also available on the KPPA website.

For questions regarding forms, please contact your ERCE representative.



SICK LEAVE COST CALCULATOR

Employers who participate in the Standard Sick Leave Program can use the Sick Leave Cost Calculator in ESS to estimate the employer’s cost for a current or former employee’s sick leave at retirement. This menu option is only available for those employers participating in the Standard Sick Leave Program.

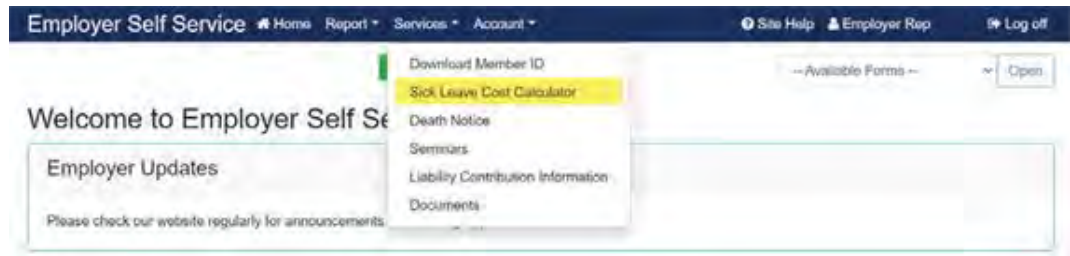


Calculations produced using the sick leave cost calculator are estimates. The actual sick leave cost is calculated at retirement. Employers will receive an invoice for an employee’s sick leave cost.

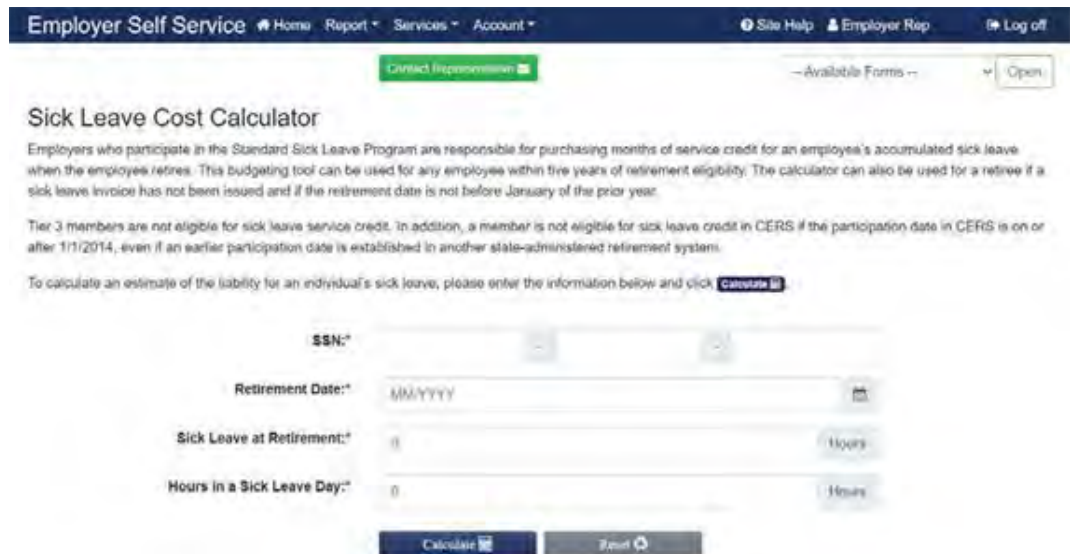
The Sick Leave Cost Calculator can be used for members who are within 5 years of retirement. It can also be used for retired members for which a sick leave invoice has not been generated.

Step 1

In ESS, click [Sick Leave Cost Calculator](#) located under the [Services](#) menu.



The Sick Leave Cost Calculator Screen will display.



Step 2

Complete all fields and click **Calculate**.

| FIELD | DESCRIPTION |
|---------------------------------|--|
| SSN | Enter the employee's social security number. |
| Retirement Date | Enter the employee's expected retirement date. The date must be the first of a month. |
| Sick Leave At Retirement | Enter an estimate of the number of hours of sick leave the employee will have accrued at the time of retirement. |
| Sick Leave Accrual Rate | Enter the employee's sick leave accrual rate, in hours, using up to two decimal places. The Sick Leave Accrual Rate should reflect how many hours equals a sick leave day. |

The calculated results include the number of months of sick leave to be purchased by the employer, final compensation of the employee used in the calculation and the total cost to the employer.

For questions regarding calculator results, please contact your ERCE representative.



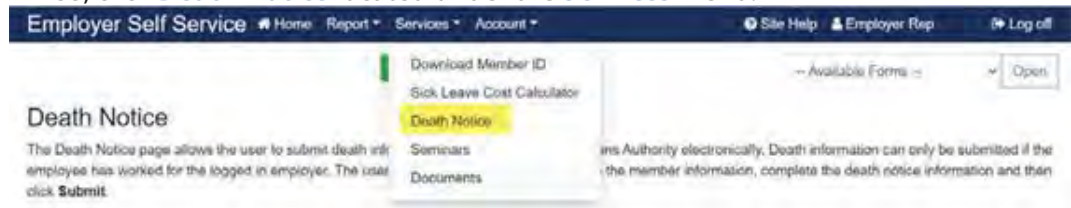
[Contact ERCE](#)

DEATH NOTICE

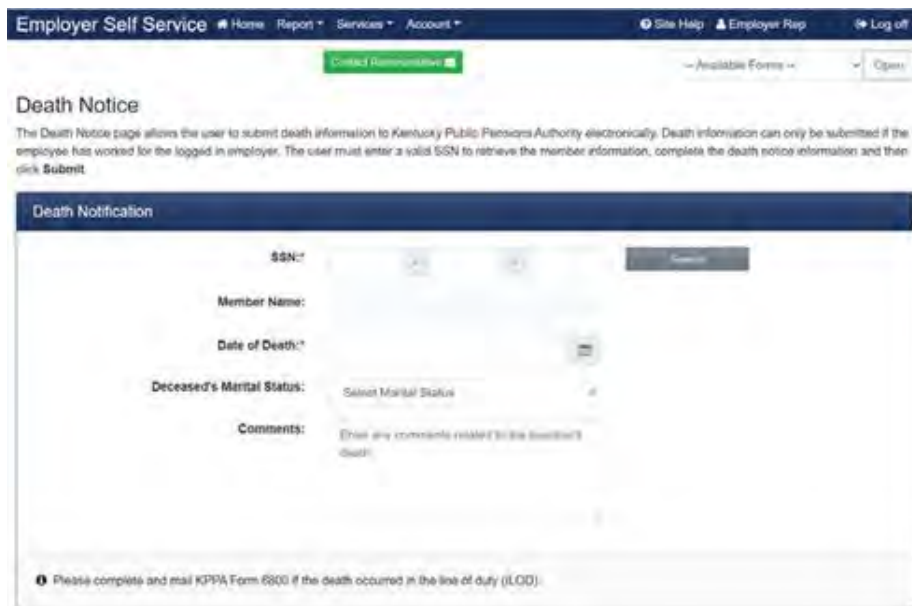
In ESS, employers can report the death of current or former employees. By reporting the death, the employer initiates the process of determining if any death benefits are owed to the beneficiary of the deceased employee/member. A member's beneficiary information is confidential and cannot be shared with employers.

Step 1

In ESS, click **Death Notice** located under the **Services** menu.

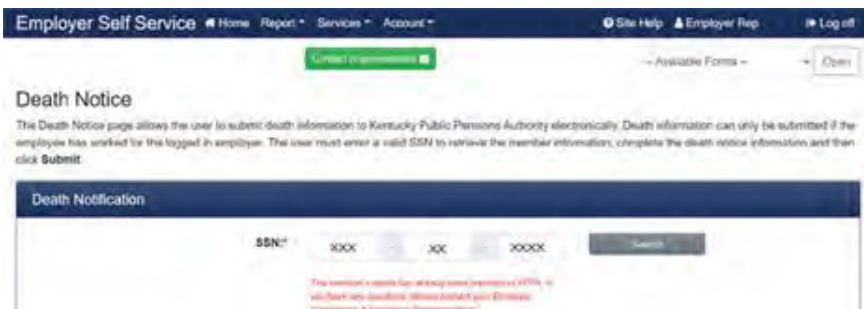


The Death Notification Screen displays.



Step 2

Enter the employee's SSN and click **Search**. ESS will display the name of the employee. If the employee's death has already been reported, the following message will display.



Step 3

If the employee's death has not been reported, verify that the employee displayed is correct and enter the Date of Death, Marital Status and any comments. If known, include the requested contact information for this employee. Click **Submit**.

Step 4

ESS will display a confirmation screen. KPPA will take the appropriate steps to contact the beneficiary of the deceased employee.

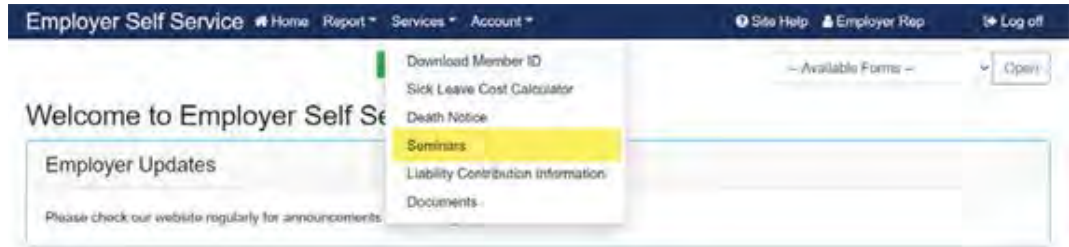
SEMINARS

The Seminars module in ESS allows employers to register for seminars.

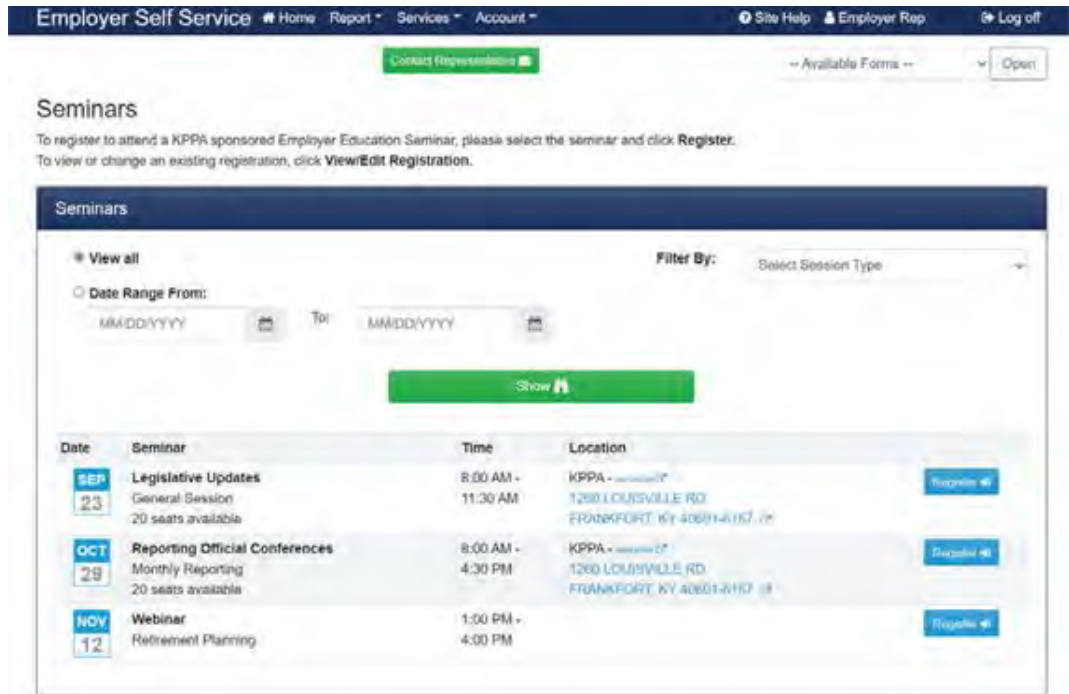
REGISTERING FOR A SEMINAR

Step 1

In ESS, click **Seminars** under the **Services** menu.



All scheduled seminars will automatically display.



You may filter available seminars by session type or by date range. Clicking the address link will navigate you to a map of the seminar location.

Step 2

Click **Register** next to the seminar for which you would like to attend.

Step 3

Enter the name and email address for each agency representative then click **Add Attendee**. Repeat as necessary to include all representatives for the agency who will be attending.

Employer Self Service Home Report Services Account Site Help Employer Rep Log off

Seminar Registration

Please provide a name and email address for each attendee and click **Add Attendee**. When finished entering information for all attendees, click **Submit**.

Registration Information

| | |
|------------------|---|
| Session: | Reporting Official Conferences |
| Topic: | Monthly Reporting |
| Date: | Friday, October 29, 2021 |
| Time: | 8:00 AM - 4:30 PM |
| Location: | KPPA - 1240 Louisville Rd 1240 LOUISVILLE RD FRANKFORT, KY 40601-8187 |
| Seats Available: | 10 |

Attendees

| Name* | Email* | |
|--|---|---------------------|
| <input type="text" value="Enter attendee's name"/> | <input type="text" value="Enter attendee's email"/> | Add Attendee |
| 1 | John Doe (john.doe@someemployer.com) | Remove |

Submit **Cancel**

*Required field

Step 4

Click **Submit** once all attendees have been entered. An email confirmation will be sent to the attendee(s) at the email address(es) provided.

Employer Self Service Home Report Services Account Site Help Employer Rep Log off

Seminar Registration Complete

Your registration details have been submitted.

Please print a copy for your records.

Seminar Details

| | |
|----------------|---|
| Employer: | 2290 Example Employer |
| Session: | Reporting Official Conferences |
| Topic: | Monthly Reporting |
| Date: | Friday, October 29, 2021 |
| Time: | 8:00 AM - 4:30 PM |
| Location: | KPPA 1240 LOUISVILLE RD - FRANKFORT, KY 40601-8187 |
| Registered On: | Thursday, June 3, 2021 |

Attendees

| |
|--------------------------------------|
| John Doe (john.doe@someemployer.com) |
| Jane Doe (jane.doe@someemployer.com) |

Register for another Seminar

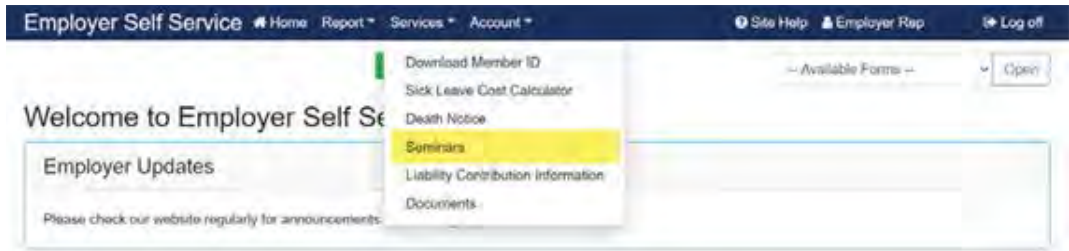
If a seminar is full, click **Waitlist** to be added to the waitlist. If a seat becomes available, you will be automatically registered and will receive a confirmation email at the address provided.

MODIFYING A SEMINAR REGISTRATION

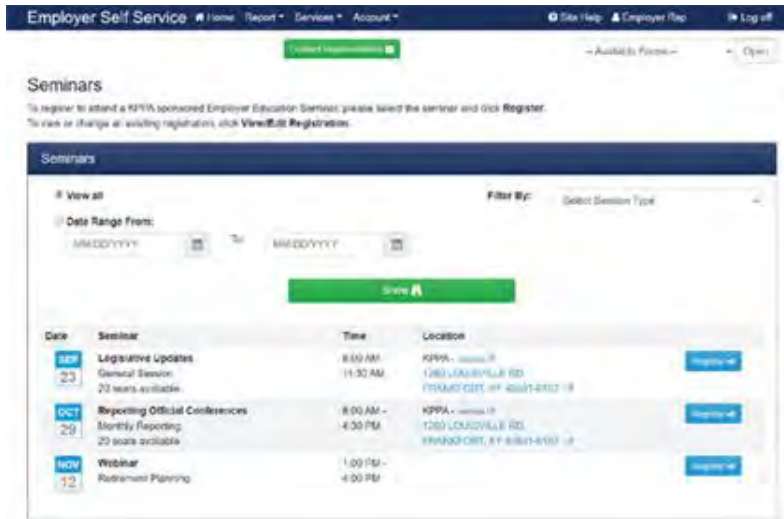
Step 1

In ESS, click **Seminars** located under the **Services** menu.

SELF SERVICE

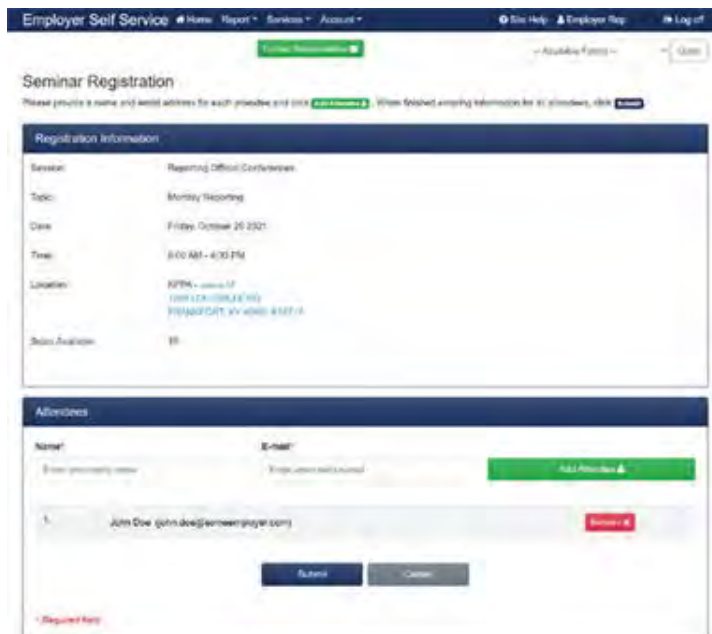


All scheduled seminars will display.



Step 2

Click the **View/Edit Registration** for the seminar that needs to be changed or canceled.



Step 3a

To Add an Attendee click **Add Attendee**, complete the required fields and click **Submit** to save the registration.

Employer Self Service Home Report Services Account Site Help Employer Rep Log off

Current Registration Add Available Forms Open

Seminar Registration

Please provide a name and email address for each attendee and click **Add Attendee**. When finished entering information for all attendees, click **Submit**.

Registration Information

Session: Reporting Official Conference

Topic: Monthly Reporting

Date: Friday, October 29 2021

Time: 8:00 AM - 4:30 PM

Location: KPPA - ~~1260 LOUISVILLE RD~~
FRANKFORT, KY 40601-8157 KY

Seats Available: 19

Attendees

Name* E-mail*

Enter attendee's name Enter attendee's e-mail **Add Attendee**

| | | |
|---|--------------------------------------|---------------|
| 1 | John Doe (john.doe@someemployer.com) | Remove |
|---|--------------------------------------|---------------|

* Required field

Each registered attendee will receive confirmation at the email address provided.

Step 3b

You can only edit the email address for a registered attendee. Enter an email address and click **Update**.

To cancel a registration, click **View/Edit Registration** (refer to Step 2 above). Click **Delete**, then click OK to confirm.

Registration Information

Session: Reporting Official Conferences
 Topic: Monthly Reporting
 Date: Friday, October 29 2021
 Time: 8:00 AM - 4:30 PM
 Location: KPPA - 1280 LOUISVILLE RD
 FRANKFORT, KY 40603-6157
 Seats Available: 18

Attendees

| Name | Contact Email | Edit | Delete |
|----------|---------------------------|----------------------|------------------------|
| John Doe | john.doe@someemployer.com | Edit | Delete |
| Jane Doe | jane.doe@someemployer.com | Edit | Delete |

[Add Attendee](#)

No email is sent when a registration is deleted.

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Kentucky Public
Pensions Authority

CHAPTER 6

School Boards

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Free

EMPLOYER REPORTING, COMPLIANCE & EDUCATION

REVISED 07/2021

MEMBERSHIP



[KRS 78.510\(21\)](#)



READ MORE

[Chapter 2:
Employee
Reporting](#)



[KAR Chapter 105](#)

All classified school board employees must be reported to KPPA on the monthly CERS file; however, not all employees are eligible to participate in CERS and have retirement contributions withheld. Classified school board employees meeting the definition of regular full-time according to [Kentucky Revised Statute 78.510\(21\)](#) are required to contribute to CERS. Employees classified as non-participating are not eligible to have retirement contributions withheld, but must still be reported in the monthly file. The Contribution Group designation for each employee dictates the employee's retirement contribution withholding and the appropriate amount of that deduction. Please see [Chapter 2](#) for additional information.

A participating school board position is any classified position where the employee's job duties require the employee to average 80 hours of work per month based on actual days worked or contract days, with the exception of seasonal, emergency, temporary, probationary, or part time (less than 80 hour average) positions.

To determine if an employee averages 80 hours, KPPA uses the following process per Kentucky Administrative Regulation Section 1:300(1):

| | | | | |
|--------------------|---|--|---|-------------------------------------|
| Actual days worked | ÷ | 20 <i>(average working days in a month)</i> | = | Actual months worked |
| Total wages earned | ÷ | hourly rate | = | Total hours worked |
| Total hours worked | ÷ | Actual months worked | = | Average # of hours worked per month |

If the average number of hours of worked per month is 79.5 or higher, the employee averages and retirement contributions deducted.



Example: A bus driver works 185 days, 4 hours per day, at a salary of \$8.00 per hour.

185 days worked ÷ 20 = 9.25 months

\$5,920.00 yearly salary ÷ \$8.00 per hour = 740 hours worked in school year

740 hours worked ÷ 9.25 months = 80 hours per month worked

Historical Note: State law as of July 1, 1974 was amended to allow school bus drivers who worked an average of 80 hours or more per month to be included in the CERS. State law was amended July 13, 1990 to also allow cafeteria workers, secretaries, teacher's aides, and custodians to participate in CERS provided they averaged 80 hours or more of work per month. State law was amended July 1, 1992 to allow all noncertified school board employees to participate in CERS provided they averaged 80 hours or more of work per month.



As a general rule, if an employee is scheduled to work four or more hours per day and works at least a total of 80 hours in a school year, the employee will likely average and should be classified as a contributing employee. Averaging is first calculated over actual days worked. If the employee does not average over actual days worked, contract days are used in the

calculation. It is important to note that allowing a *non-participating part-time* employee to work more days than originally specified in his or her contract may result in an omitted invoice for that school year.

POSITION STATUS

REGULAR FULL-TIME POSITION

Regular full-time positions are classified positions which require the employee to work a schedule of 4.0 hours per day or greater and include a predetermined number of contract days. Employees reported under this position status should have wages reported each month, but can also be reported with \$0.00 wage records during months which qualify as summer months.

PART-TIME POSITION

Part-time classified school board positions are positions that require an average of less than 80 hours of work per month over actual days worked in a school year.



It is important to note that allowing a *non-participating part-time* employee to work more days than originally specified in his or her contract may result in an Employer Omitted invoice for that school year.

CLASSIFIED SUBSTITUTE POSITIONS

Substitute classified school board employees are not specifically addressed in the statutes governing CERS; therefore, employees classified by a school board as substitutes are included in the participation eligibility guidelines.

INTERMITTENT POSITION STATUS

This status may be used for those employees who receive creditable compensation which must be reported to KPPA, but who maintain a sporadic work schedule and may not earn wages every month. Please note that the Contribution Group assigned to the employee would govern whether or not retirement contributions are expected to be reported. If an employee is going to work four or more hours per day, he or she will average and should be classified so that retirement deductions are withheld and reported. This position status is a good option to report substitute employees, since they may work sporadically.



Example: A “substitute” bus driver works four hours per day for a total of 20 non-consecutive days in the school year. The employee would average 80 hours over actual days worked and would receive one month of credit for that fiscal year. Therefore, the employee should have retirement contributions withheld and be reported with an Intermittent Position Status.



[Kentucky Revised Statute 161.545](#) requires individuals providing substitute and part-time teaching services to contribute to Teachers’ Retirement System (TRS). Therefore, classified employees who are also working as substitute teachers must be reported to CERS for their classified position salary and to TRS for the salary earned as a substitute teacher. It is advisable to contact the [TRS](#) at 1-800-618-1687 for more information regarding this situation.

If there is a question as to whether or not an employee should be reported in CERS, please contact your ERCE Representative.

DETERMINATION OF SERVICE CREDIT



The procedure used to determine the number of months of retirement service credit earned by an individual school board employee is provided by [105 Kentucky Administrative Regulation 1:300 Section 2\(2\)](#). Since July 1, 2000, employees who work at least 180 days and average 80 hours per month over the actual days worked will receive 12 months of service credit.

If an employee works fewer than 180 days per year, the employee will receive service credit determined by the following formula:

$$\text{Number of days worked} \div 180 \times 12 = \text{Number of months service}$$



If the employee works less than 180 days, the maximum number of months credited will not exceed 11.

The following chart provides a breakdown of months of service credited based upon days worked:

| DAYS WORKED | MONTHS EARNED | DAYS WORKED | MONTHS EARNED |
|-----------------|---------------|------------------|---------------|
| 22 Days or Less | 1 month | 98 - 112 Days | 7 months |
| 23- 37 Days | 2 months | 113 - 127 Days | 8 months |
| 38 - 52 Days | 3 months | 128 - 142 Days | 9 months |
| 53 - 67 Days | 4 months | 143 - 157 Days | 10 months |
| 68- 82 Days | 5 months | 158 - 179 Days | 11 months |
| 83 - 97 Days | 6 months | 180 Days or More | 12 months |



While a member's service will be calculated based upon the number of days worked or contract days; an employee's hire date or termination date will determine the maximum months of service credit earned for the fiscal year. For example, if a member began working August 1, 2012, and worked through June 30, 2013, they could earn no more than 11 months of service credit, despite the fact that they may have worked 180 days.



Be sure to report termination dates, as well as a record for every month of employment, including leave without pay (LWOP) and zero-dollar wage records. Failure to do so could affect the service credit awarded.



MUNIS
1-800-722-4908



munis@education.ky.gov



[Munis Help Guide](#)

GENERATE END OF YEAR REPORT

The End of Year (EOY) Report is a list of all classified employees, including non-participating, who were reported to CERS during the school year. This report is generated by each school board in MUNIS.

KPPA uses the information from the EOY Report to average and determine service credit. This process can only be performed at the end of the fiscal year for school board employees.

For each employee, the report should include the following:

- Employee Name
- Social Security Number
- Actual Days Worked by the Employee

Actual days worked for the school year should be reported for all employees on the EOY Report regardless of the employee’s classification throughout the year. If an employee has a change in either contribution group or position status during the year, you should report the actual days worked for both classifications on the EOY Report.



For Example:

| JOE WORKS 90 DAYS | |
|---|-----------------------------------|
| Non-participating contribution group | Probationary position status |
| ▼ | |
| JOE WORKS 90 MORE DAYS | |
| Participating contribution group | Regular full-time position status |
| ▼ | |
| EOY REPORT | |
| Joe is reported with 180 actual days worked | |

If an employee participates in more than one contribution group over the course of a school year, KPPA provides a Multiple Enrollment Report following the submission of the EOY Report requesting a breakdown of days worked in each contribution group.

In the above example, 180 days would be included on the EOY Report, but on the subsequent Multiple Enrollment Report KPPA provides, the days will be broken down into:

- 90 days for the Probationary status in a Non-participating contribution group, and
- 90 days for the Regular Full-Time Status in a Participating contribution group.

This will ensure the member receives accurate service credit.



Contracted Positions: If a classified employee holds more than one contracted position with an individual board, please report the total days worked for all positions. Please note that a single day should not be counted more than once.

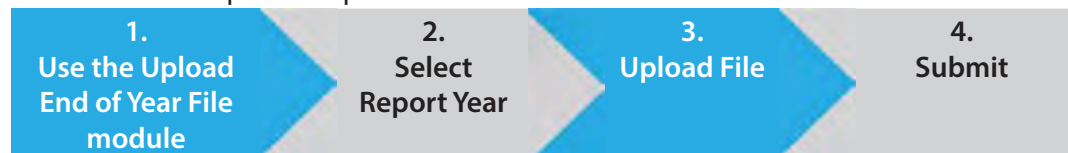


Paraprofessionals: If the employee is strictly a paraprofessional (coaches only), the employee should be reported with zero days worked on the EOY Report. If the employee is a paraprofessional and has a regular contract job, please report only the days worked for the contract job.

UPLOAD END OF YEAR REPORT

School boards will upload their EOY file in Employer Self Service (ESS) through the Upload End-of-Year File menu option. The Upload End-of-Year File module will display previous EOY files that have been uploaded by the school board beginning with the 2011-2012 fiscal year report.

There are four steps in this process:



STEP 1

After successfully signing into ESS, click **Upload End-of-Year File** located under the Report menu.



STEP 2

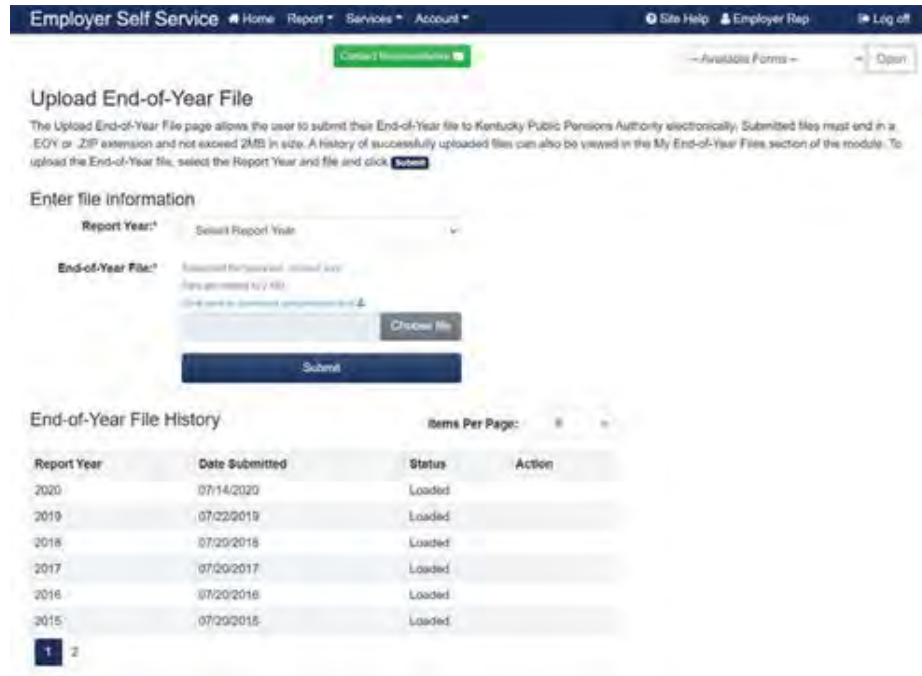
Select the **Report Year** for which you are submitting the EOY file from the dropdown box.

STEP 3

Click **Choose file** and select the file to upload.



The End of Year file must adhere to the following standard naming convention: FYBEGIN_FYEND_EMPLOYERCODE.EOY
For Example: 20182019V037.EOY



STEP 4

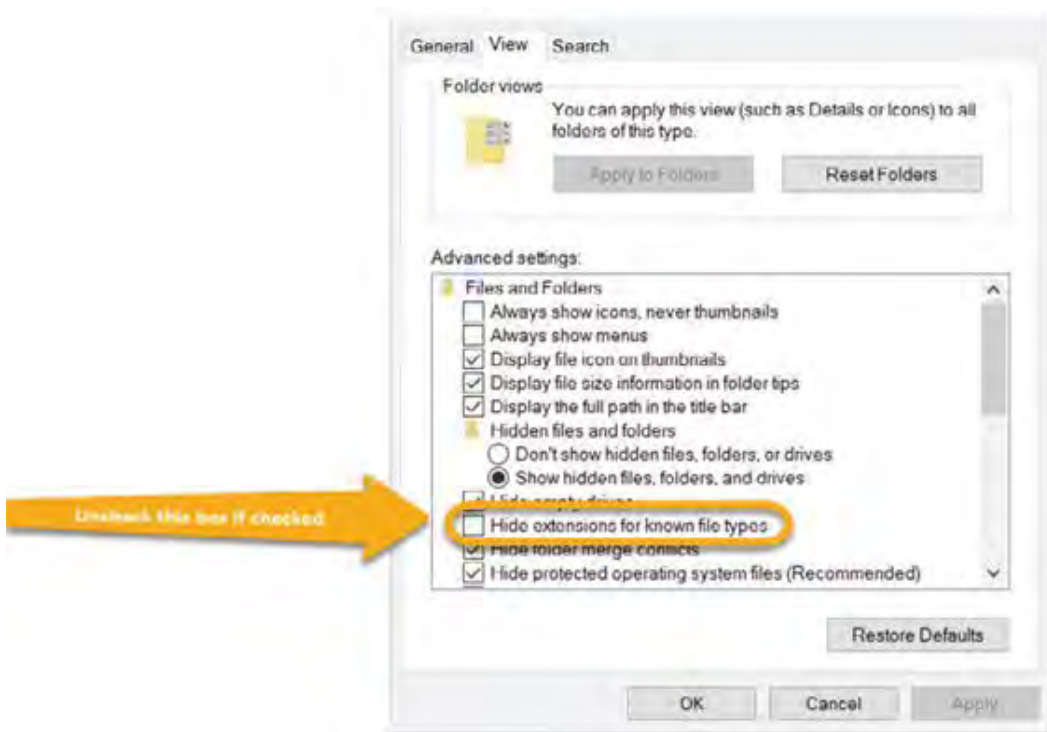
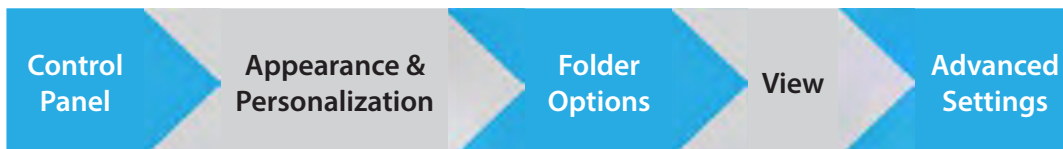
Click **Submit**



DON'T FORGET TO:

- Capitalize all letters in your file name.
- Check to make sure your computer is set up to display file extensions. Sometimes when your computer is reset, the settings change.

Here's how you check:



If the EOY file is rejected, you will need to resubmit your file by returning to the **Upload End-of-Year File** screen and repeating Steps 1 – 4.

DUE DATE

End of Year Reports are due at KPPA 20 days after the end of the fiscal year. Please submit your file as soon as possible to allow sufficient time for our staff to assist you with any issues you may encounter. Submitting your report late will result in a penalty being assessed.



KRS 78.615 (1)(b)

***Kentucky Revised Statute 78.615 (1)(b)** provides that a penalty shall be imposed on the employer of one thousand dollars (\$1,000) if the above information is not submitted by the date required with an added two hundred and fifty dollars (\$250) penalty for each additional thirty (30) day period the information is reported late.*

SUBMIT END OF YEAR REPORTS

After the EOY files have been processed, KPPA uses this information to determine service credit for school board employees. When the August monthly templates generate, any applicable EOY reports show up in your July monthly packet. These reports are generated using the information your agency submitted on the EOY file and identify employees who may need corrections or adjustments to their records.

You may receive up to four EOY reports:

1. Error Listing Report (Form 7993)
2. Exception Report (Form 7994)
3. Multiple Enrollment Report (Form 7997)
4. Non-Participating Employees Report (Form 7999)

Boards of Education should return all applicable reports to KPPA no later than November 15th.

ERROR LISTING REPORT - FORM 7993

An Error Listing Report is generated when:

- An employee was included on the EOY file but was not reported throughout the school year, or
- An employee was reported to KPPA during the school year but was not included on the EOY file, or
- An employee had invalid data on the EOY file

In order to determine if the employee is eligible to contribute to CERS, the employer must provide corrected information for the employee on this report.

For employees who were included on the EOY file, but not reported throughout the school year, please report any applicable adjustments with your next monthly report or note on the Error Listing Report that these employees were included in error on the EOY file.

For employee(s) who were reported throughout the year, but were not on the EOY file, provide:

1. Actual Days Worked

For employee(s) who were reported with invalid data on the EOY file, provide:

1. Employee Name
2. Social Security Number
3. Actual Days Worked by the Employee

Be sure to check the employee's name and Social Security number to ensure that the correct number is being reported.

EXCEPTION REPORT - FORM 7994

If an employee had contributions reported to KPPA throughout the year and does not average 80 hours over actual days worked, your July monthly packet will include an Exception Report. Please review the Exception Report for discrepancies. Common errors include: inaccurate hourly rates, inaccurate number of days worked, missing wage records, and contributions reported for the same employee under two different Social Security numbers.

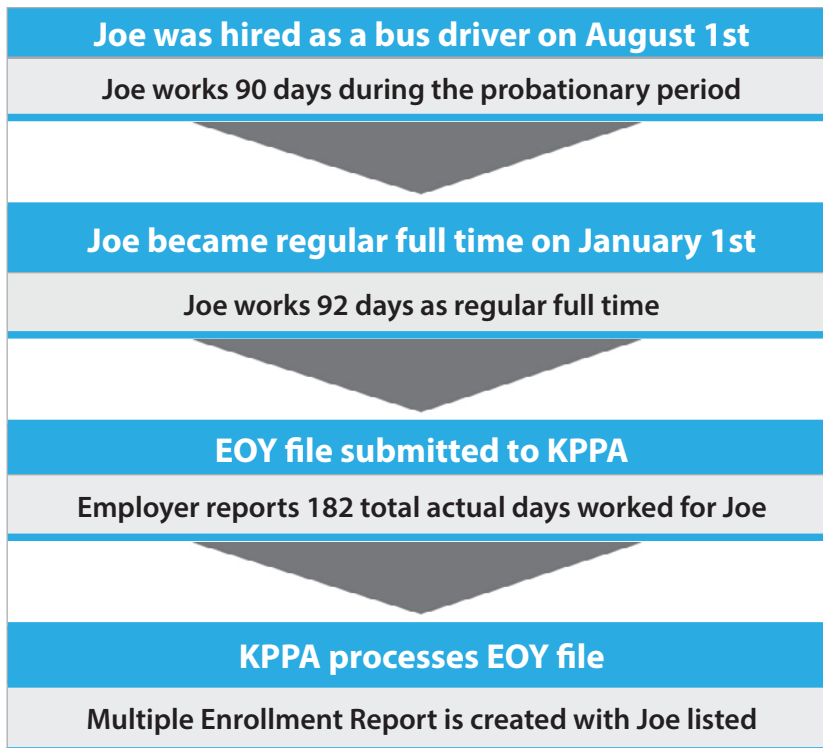
If the number of actual days worked was reported in error on the EOY file, please make corrections on the Exception Report. If the correct wages and contributions were not reported for an employee, please make this correction by submitting an adjustment in your next monthly reporting cycle.

MULTIPLE ENROLLMENT REPORT - FORM 7997

If an employee was reported with multiple periods of employment during the school year, this report is generated so employers can provide a breakdown of the total actual days worked based on the EOY file. The employer should provide the actual days worked during each period of employment.



For Example:



In the above example, the school board will verify on this report that the probationary period had 90 days actually worked and the employee worked 92 days as regular full time.

NON-PARTICIPATING EMPLOYEES REPORT - FORM 7999

If an employee had salary reported to KPPA throughout the year and appears to meet the statutory definition of regular full-time, your July monthly packet will include a Non-Participating Employees Report. Please review the Non-Participating Employees Report for discrepancies. Common errors include: reporting incorrect position status, inaccurate hourly rates, and inaccurate number of days worked.

If the number of actual days worked was reported in error on the EOY file, please make corrections on the Non-Participating Employees Report. If the correct salary, position status, or hourly rate were not reported for an employee, please make the correction by submitting the appropriate adjustment(s) in your next monthly reporting cycle. If you are unable to make the correction(s) through ESS, please contact your ERCE representative for assistance.



Contact ERCE

NOVEMBER 15TH DUE DATE

Corrections or adjustments identified in the Exception report, Non-Participating Employees report, Error Listing report and/or Multiple Enrollment report are due by November 15th. Please submit the necessary information as soon as possible to allow sufficient time for our staff to assist you with any issues you may encounter.

Boards of Education may submit reports by secure email to their ERCE representative or by fax to (502) 696-8822. If you are not sure who your ERCE representative is, [click here](#) to find your contact. Please remember to use the [KPPA Secure Email Portal](#) when sending confidential information. Our [user manual](#) provides step-by-step instructions for using the portal.



ERCE will process the submitted reports upon receipt and will update service credit for those listed on the report(s) as needed.

EOY INVOICING

If a Board of Education does not return all required reports by the due date, KPPA will audit the employee's account to determine if further action is required on the member's account. If it is determined that the employee does not average, their account may have service credit reduced and contributions refunded to the Board of Education on a Service Averaging Credit invoice. If a reported non-participating employee does average, KPPA may be required to issue Employer Omitted invoices for applicable omitted contributions. Additionally, Retired Reemployed accounts that average may be subject to Employer Omitted invoices and applicable Health Insurance Reimbursement.

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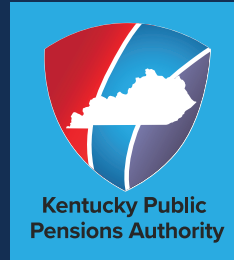
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EMPLOYER REPORTING, COMPLIANCE & EDUCATION



EMPLOYER REPORTING MANUAL

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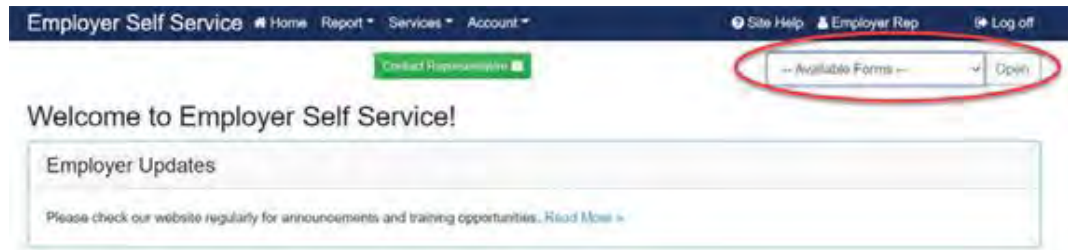
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SELF SERVICE**E-FORMS**

After signing in to Employer Self Service (ESS), you can select Available Forms from the drop-down list. E-forms can be submitted in ESS with an employer Personal Identification Number (PIN). Other forms can be printed and submitted by mail or fax. The following e-forms are available in ESS:



- [E-form 2011, HAZARDOUS DUTY CERTIFICATION H.P.-2](#)
- [E-form 2020, ADVICE OF PERSONNEL ACTION](#)
- [E-form 2023, LEAVE WITHOUT PAY VERIFICATION](#)
- [E-form 4150, CERTIFICATION OF EMPLOYMENT IN A HAZARDOUS POSITION](#)
- [E-form 4225, VERIFICATION OF PAST EMPLOYMENT](#)
- [E-form 6000H, CERTIFICATION OF LEAVE BALANCES AND FINAL SALARY](#)
- [E-form 8030, EMPLOYER JOB DESCRIPTION](#)

OTHER FORMS

After signing in to ESS, you can select other Available Forms from the drop-down list. Some forms are also available on the KPPA website.

For questions regarding forms, please contact your ERCE representative.



Contact ERCE

SUBMIT FORMS

E-FORMS: Use your employer PIN and submit the form in ESS.

PRINTED FORMS: You may submit printed forms to the Division of Employer Reporting, Compliance and Education by mail or fax.

Mail to: 1260 Louisville Road, Frankfort, KY 40601

Fax to: (502) 696-8822

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E-FORM 2011, HAZARDOUS DUTY CERTIFICATION H.P.-2

SELF SERVICE



KRS 61.592

Each time an employee begins a new hazardous position, this form must be completed. This form should be completed upon initial hire of the employee and then each time the employee changes his or her job position. This form certifies the effective date the employee began working in the position, the position to which the employee is assigned and the date the employee had a physical examination as required by [Kentucky Revised Statute 61.592\(5\)](#). This statute also requires that a copy of the physical examination be retained on file by the employer. A copy of the physical examination should be provided to KPPA.

Step 1

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|--|--|
| Member Name | Member’s full legal name. |
| Member ID | Unique identifier assigned by KPPA for each member. |
| Age | Member’s age rounded to the nearest whole number. |
| Title of Position | Employee’s position title. |
| Effective Date of Coverage | Date the employee is first employed in this position. |
| KPPA Participation Date | Date the employee first began participating with KPPA. |
| Date of Physical Examination | Date the employee received a physical examination with the employing agency. |
| Employer | Name of the employing agency, not just an agency department. |
| Agency Head or Authorized Agent | Signature of person verifying the requested information - only to be completed if the form is printed and mailed or faxed. |
| Date | Date the form is completed. |
| Enter PIN | 4-digit employer PIN assigned to the employer contact - used as a digital signature as well as a security measure when forms are completed and submitted online. |

Step 2

Enter your employer PIN and click Submit Form.

Step 3

You will receive confirmation that the form has been submitted.

SELF SERVICE

LOGIN **E-FORM 2020, ADVICE OF PERSONNEL ACTION**

This form will be required to document an Employment Begin Date, Eligibility Date, or Employment End Date for an employee who is not currently reported on the monthly detail report. A KPPA representative will call the employer or send a letter when the Advice of Personnel Action is required for a member.

Step 1

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|------------------------------|--|
| Member Name | Member's name on record with KPPA. |
| Member ID | Unique identifier assigned by KPPA for each member. |
| Employment Begin Date | Date the member's employment began with the employer, regardless of the position status. Include the month, day and year. |
| Eligibility Date | Date the member became eligible to contribute to KPPA based on position status. Include the month, day and year. |
| Employment End Date | Date the member terminated employment with the employer. Include the month, day and year. |
| Employer Name | Name of the employing agency, not just an agency department. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. |
| Phone Number | Phone number where the person verifying the information may be reached in case of questions. |
| Signature | Signature of person verifying the requested information - only to be completed if the form is printed and mailed or faxed. |
| Date | Date the form is completed. |
| Title | Job title of person verifying the requested information. |
| Comments | Additional information should be included here, if deemed necessary. |
| Enter PIN | 4-digit employer PIN assigned to the employer contact - used as a digital signature as well as a security measure when forms are completed and submitted online. |

Step 2

Enter your employer PIN and click **Submit Form**.

Step 3

You will receive confirmation that the form has been submitted.

E-FORM 2023, LEAVE WITHOUT PAY VERIFICATION

SELF SERVICE



This form will need to be completed when an employee begins and ends a period of leave without pay. In the monthly packet, the employer will receive a Leave Without Pay Report listing those employees who were on the previous month's report with this payment reason. The Form 2023 should be completed for each employee listed on that report.

Step 1

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|-------------------------------------|--|
| Member Name | Member's full legal name. |
| Member ID | Unique identifier assigned by KPPA for each member. |
| Leave without Pay Begin Date | Date the member's period of leave without pay began - include the month, day and year. |
| Leave without Pay End Date | Date the member's period of leave without pay ended - include the month, day and year. |
| Type of Leave | Select the type of leave without pay the employee is utilizing. |
| Employer Name | Name of the employing agency, not just an agency department. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. |
| Phone Number | Phone number where the person verifying the information may be reached in case of questions. |
| Signature | Signature of person verifying the requested information - only to be completed if the form is printed and submitted by mail or fax. |
| Date | Date the form is completed. |
| Title | Job title of person verifying the requested information. |
| Enter PIN | 4-digit employer PIN assigned to the employer contact - used as a digital signature as well as a security measure when forms are completed and submitted online. |

Step 2

Enter your employer PIN and click **Submit Form**.

Step 3

You will receive confirmation that the form has been submitted.

E-FORM 4150, CERTIFICATION OF EMPLOYMENT IN A HAZARDOUS POSITION



This form verifies that an employee previously worked in a position which is now approved as hazardous. This verification is used to determine an employee's eligibility to convert nonhazardous service credit to hazardous, as well as to verify whether a retiring employee is eligible for increased health insurance benefits.

Step 1

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|--|---|
| Member Name | Member's full legal name. |
| Member ID | Unique identifier assigned by KPPA for each member. |
| Address | Street address or PO Box at which the employee receives mail. |
| City | City |
| State | State |
| Zip Code | Zip Code |
| Home Phone | Home phone number of employee. |
| Work Phone | Work Phone number of employee. |
| Employer | Name of the employing agency, not just an agency department. |
| Job Title | Employee's position title held during the verified time period. |
| Employer Dates - From | First date worked in the position being verified. |
| Employer Dates - To | Last date worked in the position being verified. If employee is currently in the position, indicate "to present". |
| Personnel Administrator Name | Printed name of person verifying the requested information. |
| Personnel Administrator Signature | Signature of person verifying the requested information - only to be completed if the form is printed and submitted by mail or fax. |
| Date | Date the form is completed. |
| Phone Number | Phone number where the person verifying the information may be reached in case of questions. |

| FIELD NAME | DESCRIPTION |
|------------------|--|
| Enter PIN | 4-digit employer PIN assigned to the employer contact - used as a digital signature as well as a security measure when forms are completed and submitted online. |

Step 2

Enter your employer PIN and click [Submit Form](#).

Step 3

You will receive confirmation that the form has been submitted.

E-FORM 4225, VERIFICATION OF PAST EMPLOYMENT

SELF SERVICE



MEMBER FORMS
FORM 4225

While all service and wage information is reported monthly through the contribution detail record, an employee's past service with an employer may still need to be verified for service purchases or service/wage audits. When necessary, the employer will use the [Form 4225](#) to verify the period of employment or leave.

Step 1

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|--|--|
| Member Name | Member's full legal name. |
| Member ID | Unique identifier assigned by KPPA for each member. |
| Address | Street address or PO Box at which the employee receives mail. |
| City | City |
| State | State |
| Zip Code | Zip Code |
| Home Phone | Home phone number of employee. |
| Work Phone | Work Phone number of employee |
| Name of Employer Verifying Employment | Name of the employing agency, not just an agency department. |
| Date of Past Employment | Time period being verified on form. |
| Retirement Coverage | Answer the three questions regarding participating in pension plans <i>other than KPPA</i> . |
| Fiscal Year Begin Date | First date worked in the fiscal year being verified. List each fiscal year the employee worked separately. Remember that the KPPA fiscal year is from July to June. If an employee has a break in employment, please indicate the break in service as a separate line entry and the reason for the break in the notes section. |
| Fiscal Year End Date | Last date worked in the fiscal year being verified. List each fiscal year the employee worked separately. Remember that the KPPA fiscal year is from July to June. If an employee has a break in employment, please indicate the break in service as a separate line entry and the reason for the break in the notes section. |



[READ MORE Appendix B](#)

[Chapter 2: Employee Reporting](#)

| FIELD NAME | DESCRIPTION |
|-------------------------------------|---|
| No. of Months Worked | Number of months worked in that fiscal year. Months should be rounded up to the next whole number. For example, if an employee worked 11 months and 10 days, list 12 months. |
| Contract Days | Number of days the employee was contracted to work during the school year (For use by School Board Employers only). |
| No. of Actual Days Worked | List the number of days the employee actually worked during the school year (For use by School Board Employers only). |
| Hours Worked Per Day | Employee's scheduled hours per day, during that time period, based on a five-day work week, prior to any adjustments for flexible or alternate work schedules. |
| Hourly Wage | Calculate the employee's rate of pay as an hourly amount and list it in this field. |
| Actual Wages Earned for Year | Employee's wages earned <i>in the fiscal year</i> , not the calendar year. |
| Position Title | Employee's position title held during the verified time period. |
| Position Status | Select the employee's position status during the verified time period from the drop-down list (if e-form) or write it in (if paper form). See Chapter 2 and/or Appendix B for more information regarding position status. |
| Notes | Include other pertinent information. |
| Daytime Phone | Phone number where the person verifying the information may be reached in case of questions. |
| Signature | Signature of person verifying the requesting information - only to be completed if the form is printed and submitted by mail or fax. |
| Date | Date the form is completed. |
| Title | Job title of person verifying the requested information. |
| Enter PIN | 4-digit employer PIN assigned to the employer contact - used as a digital signature as well as a security measure when forms are completed and submitted online. |

Step 2

Enter your employer PIN and click [Submit Form](#).

Step 3

You will receive confirmation that the form has been submitted.

E-FORM 6000H, CERTIFICATION OF LEAVE BALANCES AND FINAL SALARY

SELF SERVICE



PDF LINK
e6000H
Certification
Completion
Guide



VIDEOS

Form 6000
Section H



MEMBER FORMS
FORM 6000

This form must be completed when a member applies for retirement. Section H of the [Form 6000](#) must be completed by the employer to certify leave balances and final salary. Employers should include any salary yet to be reported to KPPA through the member's anticipated termination date. This information must be certified by the employer in order for that information to be included in the member's estimated retirement allowance.

Section H may be completed in ESS. Please refer to the [e6000H Certification Completion Guide](#) for additional information.

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|---|---|
| Employer Name | Name of the employing agency, not just an agency department. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. |
| Member Name | Member's full legal name. |
| Member ID | Unique identifier assigned by KPPA for each member. |
| Termination Date | Last date of paid employment with employer. |
| Employer's Report of Leave Balances as of: | Date that the leave balances are verified. |
| Compensatory Leave Balance | Balance of unused compensatory leave in hours. |
| Alternate Average Working Days per Month | Average number of working days in a month for employees on an alternate work schedule. For example: An employee's regular schedule (not modified schedule) is only 4 days per week. That employee works an average of 17.333 days per month. |
| Accumulated Sick Leave (in hours) | Balance of total unused sick leave in hours. For use by employers who participate in the Standard Sick Leave Plan. |
| Accumulated Sick Leave (in days) | Balance of total unused sick leave in days. For use by employers who participate in the Alternate Sick Leave Plan. |
| Sick Leave Accrual Rate | The number of hours equal to one sick leave day. |
| Employer's Report of Final Salary | Salary the employee is expected to earn between the last salary reported to KPPA as of the date this form is completed and the employee's termination date. The reported salaries should be listed separately by posting month and/or payment reason. |



| FIELD NAME | DESCRIPTION |
|--|---|
| Posting Month | The year and month to which a transaction is to be applied. |
| Payment Reason | Designates the type of reported compensation which explains fluctuations in salary and impacts service credit, eligibility for benefits and benefit calculations. May only use Regular Pay, Regular Pay with Additional Creditable Compensation, Lump Sum Compensatory Pay, or Bonus/Severance Pay. Please see Appendix B for more information. |
| Salary | Actual or estimated wages expected to be paid to the employee. |
| Printed Name of Agency Official | Printed name of person verifying the requested information. |
| Title | Title of person verifying the information. |
| Agency Phone Number | Phone number where the person verifying the information may be reached in case of questions. |
| Signature of Agency Official | Signature of the person verifying the requested information. |
| Date | Date the form is completed. |

NEW MEMBER FORMS



When a new employee is reported to KPPA, an enrollment record is created. If the employee is a new member, KPPA sends a welcome letter and issues a Personal Identification Number (PIN).

Once a new member's contributions have posted to their account, KPPA mails a Member Welcome letter which includes [Form 2035, Beneficiary Designation](#) and [Form 2001, Membership Information](#). The new member will receive their KPPA PIN in a separate letter.

New members should complete and submit the Form 2001 and Form 2035 to KPPA.



If there is not a valid Form 2035 on file with KPPA prior to the member's death, the member's estate is the default beneficiary. ***For this reason, employers should not hold beneficiary forms in an employee's personnel file. If the member provides a Form 2035 to their employer, the employer should forward the form to KPPA immediately upon receipt.*** The member may change the beneficiary of their retirement account at any point during their employment by submitting a new Form 2035 to KPPA.



Members can access forms on our website and in Member Self Service. Forms and documents may be uploaded in Member Self Service or submitted by mail or fax.

FORM 2012, ELECTION OR REJECTION OF PARTICIPATION FOR MAYORS AND MEMBERS OF CITY LEGISLATIVE BODIES

SELF SERVICE



READ MORE
[Chapter 2:
Employee
Reporting](#)

Upon initial election to the position, each elected city official in a regular full-time position should complete the Form 2012. For more information regarding elected city officials, please refer to the job position section of [Chapter 2](#).

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|-------------------------------|---|
| Member Name | Member's full legal name. |
| Social Security Number | Social Security Number of the elected official. |
| City | Name of the employing city. |
| Position Title | Employee's position title. |
| Elect | Employee elects participation in CERS. |
| Reject | Employee rejects participation in CERS. |
| Signed | Signature of the elected official. |
| Witness | Signature of the person witnessing the signature of the elected official. |
| Date | Date the form is completed. |

FORM 2110, RETIREMENT SYSTEM DETERMINATION COUNTY ATTORNEY EMPLOYEES

SELF SERVICE



[KAR Chapter 105](#)



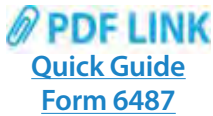
[READ MORE
Chapter 2:
Employee
Reporting](#)

The County Attorney is required to determine which system an employee will participate in based upon the employee's job duties. Form 2110 should be completed and filed with KPPA as required by [105 Kentucky Administration Regulation 1:250](#). For more information, please refer to the job position section of [Chapter 2](#).

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|---|---|
| Employee Name | Member's full legal name. |
| Member ID | Unique identifier assigned by KPPA for each member. |
| Employment Date | Date the employee is first employed in this position. |
| Position Title | Employee's position title. |
| Employer Name | Name of the employing agency, not just an agency department. |
| Retirement System Membership Determination | Select the retirement system that best matches the employee's job duties. |
| Signature | Signature of the employee. |
| Date | Date the form is completed. |
| Signed | Signature of the person verifying the information. |
| Title | Title of the person verifying the information. |

FORM 6487, MEMBER PENSION SPIKING EXEMPTION



A Form 6487 is mailed to the employer when an increase in creditable compensation greater than the 10% increase limitation allowed per [Kentucky Revised Statute 61.598](#) has been identified in a retiring employee's last five fiscal year wages. This form must be completed by the Agency Head or Primary Reporting Official and returned to KPPA no later than thirty days from the mailing date.

Please refer to the [Quick Guide to Completing Form 6487](#) for detailed instructions on how to properly complete the form.

| FIELD NAME | DESCRIPTION |
|----------------------|---|
| Employer | Name of the employing agency, not just an agency department. KPPA will complete this field prior to sending the form to the employer. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. KPPA will complete this field prior to sending the form to the employer. |
| Member Name | Member's full legal name. KPPA will complete this field prior to sending the form to the employer. |
| Member ID | Unique identifier assigned by KPPA for each member. KPPA will complete this field prior to sending the form to the employer. |

PART 1 - MEMBER PENSION SPIKING EXEMPTIONS

| | |
|----------------------|---|
| No Exemptions | Mark the No Exemptions check box if pension spiking is not due to a reporting issue or statutory approved exemption. |
| Exemptions | <p>Mark the Exemptions check box if pension spiking is due to:</p> <ul style="list-style-type: none"> • One of the three statutory exemptions, or • Improper reporting of Leave without Pay, Alternate Sick Leave, or Lump Sum Compensatory Pay at Termination records. Make a notation below the exemptions box that pension spiking is due to a reporting issue that needs correction. <p><i>The Reporting Official will need to correct the reporting issue in ESS using the Adjustments module or contact their ERCE representative for assistance.</i></p> |

PART 2 - EXEMPTION AMOUNTS

| | |
|---|---|
| Bona Fide Promotion or Career Advancement | Enter the difference in salary paid after the promotion or career advancement in the fiscal year it was paid. |
| Increases attributable to overtime due to a state of emergency | Enter the total overtime amount in the fiscal year it was paid for the emergency event. If the emergency overlaps multiple fiscal years, enter the correct amount paid for each fiscal year. |



| FIELD NAME | DESCRIPTION |
|--|---|
| Increases attributable to overtime hours worked due to a state or federal grant | Enter the total overtime amount in the fiscal year it was paid under the grant provisions. If the grant overlaps multiple fiscal years, enter the correct amount paid for each fiscal year. |
| PART 3 - BONA FIDE PROMOTION OR CAREER ADVANCEMENT EXEMPTION | |
| Employee Information | Check a box to indicate the employee's status at the time of the promotion or career advancement. Provide the employee's name and SSN or Member ID. |
| Change/Hire Date | Date of the promotion or career advancement. |
| CERTIFICATION | |
| Agency Head Signature | Signature of the Agency Head or Primary Reporting Official on record with KPPA. |
| Agency Head Printed Name | Name of the Agency Head or Primary Reporting Official on record with KPPA. |
| Date | Date the form is completed. |

FORM 6500, SICK LEAVE AUTHORIZATION - STANDARD PROGRAM

This form is used to verify an employee’s sick leave at the time of termination when the employee is retiring and will be used towards their retirement benefits. This form is required for members who terminated prior to sick leave balances being submitted electronically with the monthly detail report. The form may also be sent as a secondary verification if a member questions the balance reported on the monthly detail report.



Contact ERCE

Form 6500 is mailed to the employer as required. If you have questions when completing this form, please contact your ERCE representative.

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|--|---|
| Retiring Employee | Member’s full legal name. KPPA will complete this field prior to sending the form to the employer. |
| Date of Birth | Date of birth of member. KPPA will complete this field prior to sending the form to the employer. |
| Termination Date | Last date of employment with employer. KPPA will complete this field prior to sending the form to the employer. |
| Effective Retirement Date | Member’s retirement date. KPPA will complete this field prior to sending the form to the employer. |
| Employer | Name of the employing agency, not just an agency department. KPPA will complete this field prior to sending the form to the employer. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. KPPA will complete this field prior to sending the form to the employer. |
| Accumulated Sick Leave (in hours) | Balance of total unused sick leave in hours at the time of the employee’s termination. |
| Sick Leave Accrual Rate | The number of hours equal to one sick leave day. |
| Name | Name of person verifying the requested information. |
| Phone | Phone number where the person verifying the information may be reached in case of questions. |
| Title | Job title of person verifying the requested information. |
| Signature | Signature of person verifying the requested information. |
| Date | Date the form is completed. |

FORM 6501, SICK LEAVE AUTHORIZATION - ALTERNATE PROGRAM

This form verifies an employee's sick leave days and payments at the time of termination when the employee is retiring and will be used towards their retirement benefits. This form is required for members who terminated prior to sick leave balances being submitted electronically with the monthly detail report. The form may also be sent as a secondary verification if a member questions the balance reported on the monthly detail report.



Contact ERCE

Form 6501 is mailed to the employer as required. If you have questions when completing this form, please contact your ERCE representative.

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|--|---|
| Retiring Employee | Member's full legal name. KPPA will complete this field prior to sending the form to the employer. |
| Date of Birth | Date of birth of member. KPPA will complete this field prior to sending the form to the employer. |
| Termination Date | Last date of employment with employer. KPPA will complete this field prior to sending the form to the employer. |
| Effective Retirement Date | Member's retirement date. KPPA will complete this field prior to sending the form to the employer. |
| Employer | Name of the employing agency, not just an agency department. KPPA will complete this field prior to sending the form to the employer. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. KPPA will complete this field prior to sending the form to the employer. |
| Accumulated Sick Leave (in days) | Balance of total unused sick leave in days at the time of the employee's termination. |
| Total Compensation Paid for Sick Leave | Monetary amount paid to employee for sick leave at the time or termination of employment. |
| Reported Employer Contributions | Monetary amount of employer contributions reported on the Total Compensation Paid for Sick Leave. |
| Reported Employee Contributions | Monetary amount of employee contributions reported for the Total Compensation Paid for Sick Leave. |
| Reported Health Insurance Contributions | Monetary amount of employee health insurance contributions reported for the Total Compensation Paid for Sick Leave. |
| Payment Details | Verify which report month contained the contribution payments. |

| FIELD NAME | DESCRIPTION |
|------------------|--|
| Name | Name of person verifying the requested information. |
| Phone | Phone number where the person verifying the information may be reached in case of questions. |
| Title | Job title of person verifying the requested information. |
| Signature | Signature of person verifying the requested information. |
| Date | Date the form is completed. |

FORM 6751, EMPLOYER CERTIFICATION REGARDING REEMPLOYMENT

SELF SERVICE



PDF LINK
Reemployment
as an Employee



If a retired member seeks employment with a participating employer within twelve (12) months of retirement, the member is required to report this to KPPA prior to returning to work by submitting a [Form 6754, Member Reemployment Certification](#).

The participating employer must also certify there was no prearranged agreement made prior to the member's retirement for the member to return to work in an capacity with the employer after retirement by submitting a [Form 6751](#) to KPPA.

For more information about this process, please refer to [our website](#).

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|-------------------------------|--|
| Reemploying Agency | Name of the employing agency, not just an agency department. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. |
| Member Name | Member's full legal name. |
| Member ID | Unique identifier assigned by KPPA for each member. |
| Start date | The start date for the member's reemployment. |
| PREARRANGED AGREEMENT INQUIRY | |
| Name | Name of person verifying the requested information. |
| DID NOT | Mark the DID NOT check box if the employer did not have a prearranged agreement with the retired member to return to work. |
| DID | Mark the DID check box if the employer did have a prearranged agreement with the retired member to return to work. |
| CERTIFICATION | |
| Signature | Signature of person verifying the requested information. |
| Job Title | Job title of person verifying the requested information. |
| Date | Date the form is completed. |

FORM 6752, EMPLOYER CERTIFICATION OF INDEPENDENT CONTRACTOR / LEASED EMPLOYEE

SELF SERVICE



PDF LINK

[Independent Contractor/Leased Employee](#)



This form should be completed by the employer prior to hiring a retired member to provide services as an Independent Contractor or as a Leased Employee.

For more information about this process, please refer to [our website](#).

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|--|--|
| Reemploying Employer | Name of the employer, not just an agency department. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. |
| Member Name | Member's full legal name. |
| Member ID | Unique identifier assigned by KPPA for each member. |
| Start date | Start date of the independent contractor/leased employee. |
| Name | Name of person verifying the requested information. |
| Independent Contractor | Check this box if the retired member will provide services as an Independent Contractor. |
| Leased Employee | Check this box if the retired member will provide services as a Leased Employee. |
| Position Title & Principal Job Duties | Provide the position title and job duties the retired member will provide to the employer. |

PARTICIPATING EMPLOYER INQUIRY

Complete this section by checking one box for each item listed.

PARTICIPATING EMPLOYER SUPPORTING DOCUMENTATION

Complete this section by checking the box for each supporting document being submitted with the form. If you check "Other", include a description of the document in the space provided.

PARTICIPATING EMPLOYER CERTIFICATION

| | |
|------------------|--|
| Signature | Signature of person verifying the requested information. |
| Job Title | Job Title of person verifying the requested information. |
| Date | Date the form is completed. |

FORM 6753, EMPLOYER CERTIFICATION OF VOLUNTEER

SELF SERVICE



PDF LINK
Volunteer



This form should be completed by the employer prior to hiring a retired member to provide volunteer services.

For more information about this process, please refer to [our website](#).

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|---|---|
| Reemploying Employer | Name of the employer, not just an agency department. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. |
| Member Name | Member's full legal name. |
| Member ID | Unique identifier assigned by KPPA for each member. |
| Volunteer start date | Start date of the volunteer employee. |
| Job Title & Principal Volunteer Duties | Provide the job title and principal volunteer duties the retired member will provide to the employer. |

PARTICIPATING EMPLOYER INQUIRY

Complete this section by checking one box for each item listed. In the last question, include an amount for nominal fees in the space provided.

PARTICIPATING EMPLOYER CERTIFICATION

| | |
|------------------|--|
| Signature | Signature of person verifying the requested information. |
| Job Title | Job Title of person verifying the requested information. |
| Date | Date the form is completed. |

FORM 6760, COUNTY POLICE OR SHERIFF APPOINTMENT OF RETIRED POLICE OFFICER

SELF SERVICE



PDF LINK
County Retired
Police Officer



This form should be completed by the County Police or Sheriff prior to appointing a retired member as a police officer.

For more information about this process, please refer to [our website](#).

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|-----------------------------|--|
| Member Name | Member's full legal name. |
| Member ID | Unique identifier assigned by KPPA for each member. |
| Reemploying Employer | Name of the employer, not just an agency department. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. |
| Yes | Mark the Yes check box if the member retired as a police officer as defined by Kentucky Revised Statute 70.291 . |
| No | Mark the No check box if the member did not retire as a police officer as defined by Kentucky Revised Statute 70.291 . |

APPOINTMENT INFORMATION

| | |
|----------------------------|---|
| Initial Appointment | Indicate whether this is an initial appointment. |
| Date of Appointment | Start date of the appointment. |
| Term of Appointment | Duration of the appointment. The term cannot exceed one year. |

EMPLOYER CERTIFICATION

Provide the requested information for statements one and three.

| | |
|------------------|--|
| Signature | Signature of person verifying the requested information. |
| Title | Job title of person verifying the requested information. |
| Date | Date the form is completed. |

FORM 6764, RECERTIFICATION OF RETIRED POLICE OFFICER

SELF SERVICE

LOGIN 

This form should be completed by a County Police or Sheriff prior to reappointing a retired member as a police officer.

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|-----------------------------|---|
| Member Name | Member's full legal name. |
| Member ID | Unique identifier assigned by KPPA for each member. |
| Reemploying Employer | Name of the employer, not just an agency department. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. |
| Yes | Mark the Yes check box if the member was previously approved for reemployment as defined by Kentucky Revised Statutes 70.291-70.293 or 164.950 - 164.980 . |
| No | Mark the No check box if the member was not previously approved for reemployment as defined by Kentucky Revised Statutes 70.291-70.293 or 164.950 - 164.980 . |
| Term of Appointment | Provide the Begin Date and End Date of the reappointment. The term cannot exceed one year. |

EMPLOYER CERTIFICATION

Provide the full name of the person verifying the requested information and employer name where indicated.

| | |
|------------------|--|
| Signature | Signature of person verifying the requested information. |
| Title | Job title of person verifying the requested information. |
| Date | Date the form is completed. |

FORM 6766, APPOINTMENT OF RETIRED SCHOOL RESOURCE OFFICER

SELF SERVICE



 **PDF LINK**
School Resource
Officer



This form should be completed when a Board of Education hires a retired member as a School Resource Officer.

For more information about this process, please refer to [our website](#).

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|---|--|
| Member Name | Member's full legal name. |
| Member ID | Unique identifier assigned by KPPA for each member. |
| Reemploying Employer | Name of the employer, not just an agency department. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. |
| APPOINTMENT INFORMATION | |
| Initial Appointment | Indicate whether this is an initial appointment. |
| Date of Appointment | Start date of the appointment. |
| EMPLOYER CERTIFICATION | |
| Provide the full name and position of the person verifying the requested information and employer name where indicated. | |
| Signature | Signature of person verifying the requested information. |
| Title | Job Title of person verifying the requested information. |
| Date | Date the form is completed. |

FORM 6767, APPOINTMENT OF KENTUCKY STATE POLICE SCHOOL RESOURCE OFFICER

SELF SERVICE

LOGIN 



EMPLOYER FORMS

FORM 6767

This form should be completed when a Board of Education hires an active or retired Kentucky State Police officer, CVE R Class or Trooper R Class as a Kentucky State Police School Resource Officer.

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|---|--|
| Member Name | Member's full legal name. |
| Member ID | Unique identifier assigned by KPPA for each member. |
| Employer Name | Name of the employer, not just an agency department. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. |
| APPOINTMENT INFORMATION | |
| Date of Appointment | Start date of the appointment. |
| EMPLOYER CERTIFICATION | |
| Provide the full name and position of the person verifying the requested information. | |
| Signature | Signature of person verifying the requested information. |
| Title | Job Title of person verifying the requested information. |
| Date | Date the form is completed. |

FORM 6768, POSTSECONDARY INSTITUTION APPOINTMENT OF RETIRED POLICE OFFICER

SELF SERVICE



PDF LINK
[Postsecondary Institution](#)



This form should be completed when a Postsecondary Institution hires a retired member as a police officer.

For more information about this process, please refer to [our website](#).

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|--|--|
| Member Name | Member’s full legal name. |
| Member ID | Unique identifier assigned by KPPA for each member. |
| Reemploying Postsecondary Institution | Name of the employer, not just an agency department. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. |
| Yes | Mark the Yes check box if the member retired as a police officer pursuant to Kentucky Revised Statutes 164.950 - 164.980 . |
| No | Mark the No check box if the member did not retire as a police officer pursuant to Kentucky Revised Statutes 164.950 - 164.980 . |

APPOINTMENT INFORMATION

| | |
|----------------------------|---|
| Initial Appointment | Indicate whether this is an initial appointment. |
| Date of Appointment | Start date of the appointment. |
| Term of Appointment | Duration of the appointment. The term cannot exceed one year. |

EMPLOYER CERTIFICATION

Provide the requested information for statements one and three.

| | |
|------------------|--|
| Signature | Signature of person verifying the requested information. |
| Title | Job Title of person verifying the requested information. |
| Date | Date the form is completed. |

FORM 6769, CERTIFICATION OF EMPLOYED POLICE OFFICERS CALENDAR YEAR 2015

SELF SERVICE



EMPLOYER FORMS
FORM 6769

This form should be completed by a City employer prior to hiring retired members as police officers. The City employer must disclose the total number of police officers it employed on average in Calendar Year 2015.

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|----------------------|--|
| Employer Name | Name of the employer, not just an agency department. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. |

EMPLOYER CERTIFICATION

Provide the full name of the person verifying the requested information and the city name, average number of employed police officers in 2015 and number of police officers the employer can hire pursuant to [Kentucky Revised Statute 95.022](#).

| | |
|------------------|--|
| Signature | Signature of person verifying the requested information. |
| Title | Job Title of person verifying the requested information. |
| Date | Date the form is completed. |

DETAILED LISTING OF POLICE OFFICERS EMPLOYED FOR CALENDAR YEAR 2015

| | |
|------------------------------|---|
| Employer Name | Name of the employer, not just an agency department. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. |
| Name | List the first and last name of each Police Officer employed for Calendar Year 2015. |
| KPPA Member ID | Unique identifier assigned by KPPA for each member. List the KPPA Member ID of each police officer employed for Calendar Year 2015. |
| Employment Begin Date | List the employment begin date of each police officer employed for Calendar Year 2015. |
| Employment End Date | List the employment end date of each police officer employed for Calendar Year 2015. |

FORM 6770, CITY APPOINTMENT OF RETIRED POLICE OFFICER

SELF SERVICE

LOGIN 

 **PDF LINK**
[City Retired
Police Officer](#)


 EMPLOYER FORMS
[FORM 6770](#)

This form should be completed when a City employer hires a retired member as a police officer.

For more information about this process, please refer to [our website](#).

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|--------------------------------|--|
| Member Name | Member's full legal name. |
| Member ID | Unique identifier assigned by KPPA for each member. |
| Reemploying City | Name of the employer, not just an agency department. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. |
| Yes | Mark the Yes check box if the member retired as a police officer pursuant to Kentucky Revised Statute 70.291 . |
| No | Mark the No check box if the member did not retire as a police officer pursuant to Kentucky Revised Statute 70.291 . |
| Initial Appointment | Indicate whether this is an initial appointment. |
| Date of the Appointment | Start date of the appointment. |
| Term of Appointment | Duration of the appointment. The term cannot exceed one year. |

EMPLOYER CERTIFICATION

Provide the requested information for statements one and three.

| | |
|------------------|--|
| Signature | Signature of person verifying the requested information. |
| Title | Job Title of person verifying the requested information. |
| Date | Date the form is completed. |

FORM 6774, CITY RECERTIFICATION OF RETIRED POLICE OFFICER

SELF SERVICE

LOGIN 



EMPLOYER FORMS
FORM 6774

This form should be completed by a City prior to reappointing a retired member as a police officer.

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|----------------------------|--|
| Member Name | Member's full legal name. |
| Member ID | Unique identifier assigned by KPPA for each member. |
| Reemploying City | Name of the employer, not just an agency department. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. |
| Yes | Mark the Yes check box if the member was previously approved for reemployment pursuant to Kentucky Revised Statutes 70.291-70.293 . |
| No | Mark the No check box if the member was not previously approved for reemployment pursuant to Kentucky Revised Statutes 70.291-70.293 . |
| Term of Appointment | Provide the begin and end date of the appointment. The term cannot exceed one year. |

EMPLOYER CERTIFICATION

Provide the full name of the person verifying the requested information and the city name.

| | |
|------------------|--|
| Signature | Signature of person verifying the requested information. |
| Title | Job Title of person verifying the requested information. |
| Date | Date the form is completed. |

FORM 7071, EMPLOYER SELF SERVICE EMPLOYER ADMINISTRATOR ACCOUNT CREATION REQUEST

SELF SERVICE



FORM 7071

[Form 7071](#) should be completed by the Agency Head on record with KPPA to add or change the Employer Administrator for the ESS website.

| FIELD NAME | DESCRIPTION |
|---|---|
| Employer | Name of the employing agency, not just an agency department. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. |
| Name | Name of person designated as the employer administrator. |
| Phone | Phone number where the employer administrator can be reached during business hours. |
| Email | Email address of the employer administrator. |
| Employer Administrator Signature | Signature of the designated person. |
| Agency Head Signature | Signature of the Agency Head on record with KPPA. |
| Date | Date the form is completed. |

FORM 7072, REPORTING/BALANCING EMPLOYER ACKNOWLEDGMENT

SELF SERVICE

LOGIN 



EMPLOYER FORMS

[FORM 7072](#)

This form must be completed by the employer's Agency Head to acknowledge when designating a third party entity to report employee information on behalf of the employer.

| FIELD NAME | DESCRIPTION |
|------------------------------|---|
| Employer | Name of the employing agency, not just an agency department. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. |
| Company Name | Company Name of the third party entity. |
| Representative Name | Name of Company Representative designated by the employer. |
| Address | Street address or PO Box at which the third party entity receives mail. |
| City | City where the third party entity receives mail. |
| State | State where the third party entity receives mail. |
| Zip Code | Zip Code where the third party entity receives mail. |
| Phone | Phone number for the third party representative. |
| Email | Email address of the third party representative. |
| Agency Head Signature | Signature of the Agency Head on record with KPPA. |
| Date | Date the form is completed. |

FORM 7250, VERIFICATION OF PAYMENTS OUTSIDE REGULAR WAGES

SELF SERVICE

LOGIN 

This form must be completed by the employer's Agency Head to acknowledge when reporting any payments outside of regular wages to KPPA.

| FIELD NAME | DESCRIPTION |
|--|---|
| Employer Name | Name of the employing agency, not just an agency department. KPPA will complete this field prior to sending the form to the employer. |
| Employer Code | 4 or 5-digit unique employer code assigned by KPPA to each employer. |
| Address | Street address or PO box at which the employer receives mail. |
| City | City |
| State | State |
| Zip Code | Zip Code where the third party entity receives mail. |
| Reporting Official | Name of current reporting official. |
| Monies Outside Regular Salary? | Does your agency provide additional payments to employees that are outside of their regular wages? |
| Exact Name of Payment | The name the employer or board has approved for this specific payment. |
| Is Payment Guaranteed in Employee's Regular Salary? | Is this payment part of the employee's regular salary or an additional payment provided by the employer? |
| Payments Awarded Date | Date the payment is is paid to the employee(s). Include month, day, and year. |
| Personnel Policy or Discretion of Employer? | Is this payment type included in the employer's personnel policy or being paid based on direction from the employer or board? |
| Payments Reported to KPPA? | Has the employer reported these payments to KPPA previously? |
| Payment Reason | If the payment has been previously reported, what payment reason was utilized? |
| Printed Name | Printed name of the person verifying the requested information. |
| Title | Job title of person verifying the requested information. |
| Signature | Signature of the Agency Head on record with KPPA. |
| Date | Date the form is completed. |

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FORM 7851, DATA USE AGREEMENT



[KAR Chapter 105](#)

Pursuant to [105 Kentucky Administrative Regulation 1:140](#), each employer is required to submit reports securely through ESS or through the KPPA Secure Email Portal. [Form 7851](#) is a data use agreement that serves as an acknowledgment of this regulation.

The Agency Head or Reporting Official should review all sections of the form and complete the employer certification.



| FIELD NAME | DESCRIPTION |
|--|--|
| Name of Employer | Name of the employing agency, not just an agency department. |
| Agency Head or Reporting Official | Signature of the person completing the form. |
| Print Name | Printed name of the person completing the form. |
| Title | Title of the person completing the form. |
| Date | Date the form is completed. |

FORM 8030, EMPLOYER JOB DESCRIPTION

SELF SERVICE



STATUTE
KRS 61.665



MEMBER FORMS
FORM 8030

When a member files for disability retirement, [Kentucky Revised Statute 61.665\(2\)](#) requires a complete description of the employee’s job duties and submit a detailed description of reasonable accommodations attempted as provided for in 42 United States Code sec. 12111(9) and 29 Code of Federal Regulations Part 1630 under the American with Disabilities Act (ADA). The employer provides this information by completing the [Form 8030, Employer Job Description](#), listing and describing the duties performed by the employee as of the last day of paid employment.

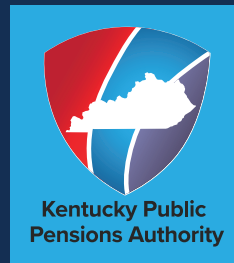
Step 1

Complete the fields for requested information:

| FIELD NAME | DESCRIPTION |
|--|--|
| Member Name | Member’s full legal name. |
| Member ID | Unique identifier assigned by KPPA for each member. |
| Job Title | Employee’s position title. |
| Agency | Name of the employing agency, not just an agency department. |
| Job Description | Provide information regarding the duties required in the employee’s position. |
| Accommodations | Provide information regarding the employee’s request for reasonable accommodations. |
| Agency Representative Signature | Signature of person verifying the requested information - only to be completed if the form is printed and mailed or faxed. |
| Date | Date the form is completed. |
| Enter PIN | 4-digit employer PIN assigned to the employer contact - used as a digital signature as well as a security measure when forms are completed and submitted online. |

Force

EMPLOYER REPORTING, COMPLIANCE & EDUCATION



EMPLOYER REPORTING MANUAL

Appendix B DETAIL FIELDS & DESCRIPTIONS

REVISED 07/2021



Required Detail Fields may be different for [KHRIS](#) employers.

Address Line 1: This is a required field and should include the mailing address.

Address Line 2: This is an optional field and should only be completed for an apartment number, building, unit, floor, suite, etc.

Address Line 3: This field is only displayed and required if the International Address Indicator is checked. This field should contain the city or town name, province, state, or county and postal code (if known).

Annual Leave: This field is required only for employers reported by the Personnel Cabinet. The employee's accrued annual leave balance should be reported in this field.

City: This is a required field and should contain the city related to the employee's mailing address.

Compensatory Leave: This field is required only for employers reported through the Personnel Cabinet.



Other employers that allow employees to accrue compensatory time MAY report Compensatory Leave balance in this field.

Contract Days: This is a required field for noncertified school board employees and should contain the number of contracted days for the noncertified employee. Contract days should be zero for all employees in an intermittent position status.

Contribution Group: This is a required field and should contain the employee's contribution group. Employers can download contribution group information for their employees using the Download Member ID module in Employer Self Service (ESS). Please see [Chapter 2](#) of the Employer Reporting Manual for directions on correctly categorizing employees.

Country: This field is only displayed and required if the International Address Indicator is checked. The country should be selected from the drop-down list.

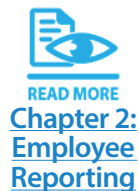
Date of Birth: This is a required field and should contain the employee's date of birth.

Days Worked Greater Than Zero: This is a required field and should always be checked unless the employee has a position status of Regular Full Time Less Than 12 Months and did not actually work in the month.



This field does not apply to employees reported by the Personnel Cabinet.

Email Addresses: This is an optional field and should reflect the employee's work email address, if available. A personal address can be provided if no work email address is available. If the employee's email address is unknown, this field can be blank.





Employer Contribution: Only employers using the Enter Report Details module in ESS use this field. This field will populate once the calculate button is clicked.

Employer-paid Employer Contribution (Employer paid ERCON): This field indicates whether the employer is responsible for remitting employer contributions for the record. Master Commissioners and their employees do not submit employer contributions, as this is paid from another fund.

Employment Begin Date: This is a required field for employees who have: not previously been reported by the employer to KPPA; are re-hires; or have changes in contribution group, position status or job position.

Employment End Date: This is a required field when an employee terminates employment or changes job position, position status or contribution group. The date cannot be after the last day of the report month and must be accompanied by an Employment End Reason.

Employment End Reason: This field is required if an Employment End Date is provided. The options for this field are:

- Change in System, Plan, Contribution Group, or Job Position
- Retirement
- Death
- Termination
- Change in Position Status
- Transfer (To be used only by employers reported by the Personnel Cabinet)



If an employee has a change in position status that also causes a change in system, plan, contribution group or job position, then select the option “Change in System, Plan, Contribution Group or Job Position”.

Estimated Additional Compensation: This field is required to report any incentive, special duty, longevity, educational incentive, etc. that an employee earns that is not calculated in the base rate of pay. This should be reported as a cumulative sum for the fiscal year. A zero value may be reported in this field.

First Name: This field is required and should reflect the employee’s legal name as maintained on their employment record.

Gender: This is a required field if the employee has never been reported by the employer to KPPA. The options for this field are Female, Male and Unknown.

Health Insurance Contribution (Pre-Tax HICON): This is a required field used to report the additional 1% in member contributions required for employees whose participation is on or after September 1, 2008. If the employee does not owe the Health Insurance Contribution, then zero should be reported in this field. If you report by Enter Report Details, this field will populate once the calculate button is clicked.

Hours in a Sick Leave Day: This field is required if Sick Leave Hours or Sick Leave Days has a value and should contain the number of hours that equals a sick leave day.

Increment Date: This field is required only for SPRS and KERS employers reported by the Personnel Cabinet. This field represents the date on which the employee is to receive the next increment in compensation.

International Address Indicator: This indicator should only be used when an employee has a foreign address.

Job Position: This is a required field and should contain the appropriate job position code or title. The Job Position field is used to validate service accrual, averaging requirements and other benefits specific to the position.

Employers using the Upload Detail File module in ESS should include the approved positions and corresponding codes on the file. Employers using the Enter Report Details module in ESS will choose the approved position titles from the drop-down list.

For hazardous positions: Only the positions approved as hazardous for the employer will be accepted.

For nonhazardous positions: The options for these positions are:

- **Jailer:** Used for nonhazardous jail employees
- **Sheriff:** Used for nonhazardous sheriff employees who provide police protection
- **Police:** Used for nonhazardous police employees who provide police protection
- **Fire:** Used for nonhazardous employees who provide firefighting services
- **EMS:** Used for nonhazardous employees who provide emergency medical services
- **County Attorney Employee:** Used for all employees of the County Attorney's office, even if another agency (such as fiscal court) is reporting the employee for their duties in the County Attorney's office
- **Constitutional Officer:** This job position is limited to employees reported by the Personnel Cabinet
- **General Assembly Employee:** This job position is limited to employees reported by the Personnel Cabinet
- **Magistrate:** This job position is limited to fiscal courts
- **Coroner:** Represents the official coroner, not deputy coroners or other coroner employees
- **Mayor:** This job position is limited to cities
- **City Council:** This job position is limited to cities and should also be used for City Commissioners
- **Volunteer Fireman:** Only reported by employer code J956
- **Master Commissioner:** This job position represents all employees of the Master Commissioner
- **Other:** This job position is used only if another listed position is not applicable to the employee

Last Name: This field is required and should reflect the employee's legal name as maintained on their employment record.

Marital Status: This is an optional field providing the choice of single or married for selection.

SELF SERVICE

LOGIN 

Member ID: This is a required field once the Member ID has been assigned. KPPA assigns the Member ID after an employee's initial detail record has been submitted and posted. The Member ID will then automatically populate in the contribution record on Enter Report Details for future report months. Employers can obtain the Member ID using the Download Member ID module in ESS.

Middle Name: This field is optional and should reflect the employee's legal name as maintained on their employment record.

Payment Reason: This field is required to identify and explain changes in salary. It also impacts service credit, eligibility for benefits and benefit calculations. If more than one payment reason is needed for an employee in one report month, then a separate record may be required.



For example, two separate records must be reported for an employee with both Regular Pay and an Installment Purchase of Service (IPS) Payment.

The options for this field are:

- **Regular Pay:** Used when an employee's salary is only the regular compensation for a posting month.
- **Regular Pay with Additional Creditable Compensation:** Used in place of "Regular Pay" option when an employee's salary includes regular compensation plus other monies, such as overtime pay, shift differentials, scheduled incentives, etc.
- **Leave Without Pay:** Used in place of "Regular Pay" option when an employee has lower salary or zero salary for a posting month due to being on leave without pay. If the employee is on leave without pay for a partial month, use this payment reason - a separate record for regular wages is NOT required.
- **Bonus/Severance Payment:** Used on a separate record from regular wages when an employee receives a bonus or severance payment. The posting month for the record with this payment reason should reflect the last month of the period in which it is to be applied. Bonus/severance payments must be approved by KPPA before being reported.
- **IPS Payment:** Used on a separate record from regular wages to report IPS payments. When reporting IPS, only the following subset of the fields should be reported: Posting Month, SSN, Member ID, DOB, Gender, First & Last Name, Contribution Group, Payment Reason, Pre-tax, or Post-tax EECON.
- **Lump Sum Compensatory Pay:** Used on a separate record from regular wages to report lump sum compensatory payments for employees with a participation date with KPPA prior to 9/1/08.
- **State Funded Expenses:** Used in place of "Regular Pay" option by Employer Codes 54527, 39759 and 35628 to report the expense payments made to Jailers, Sheriffs and County Judge Executives.
- **Alternate Sick Leave Payment:** Used on a separate record from regular wages if an employer participates in the Alternate Sick Leave Program with KPPA.
- **Furlough:** Used in place of "Regular Pay" option if an employee is on furlough for a full or partial month..
- **Layoff:** Used in place of "Regular Pay" option if an employee is in layoff status for a full or partial month.
- **Summer Months:** Used in place of "Regular Pay" option for school board employees, head start employees, school nurses, university employees, Kentucky School for the Deaf employees and Kentucky School for the Blind employees if they are not paid during the summer months.

Payroll Frequency: This is a required field and should indicate how often the employer runs payroll for the employee. Identifying the payroll frequency allows KPPA to provide accurate benefit calculations and monitor pay fluctuations. The options for this field are Monthly, Semi-Monthly (twice per month), Bi-Weekly (every two weeks) or Weekly.

Position Status: This is a required field. The options for this field are:

- Regular Full Time
- Part Time
- Probationary (CERS use only)
- Seasonal
- Temporary
- Emergency
- Interim
- Regular Full Time Less Than 12 Months
- Intermittent Employee
- Volunteer
- Retired Police Officer

Please see the [Chapter 2](#) of the Employer Reporting Manual for explanations and statutory limitations of each status.

Posting Month: Reflects which month and year the salary record was paid to a member for monthly retirement service credit.



Report and Posting Month will normally be the same date unless adjustment wages have been reported to correct the original salary sent by the agency.

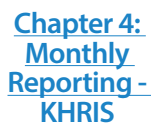
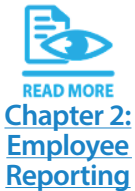
Please see Chapter 4 of the Employer Reporting Manual for direction to add a retroactive payment, adjust a prior period record and correctly award service credit based on your reporting method.

Post-Tax Employee Contribution (Post-Tax EECON): This is a required field to report contributions if the employee owes post-tax contributions or a post-tax IPS payment based on the posting month. Report zero if the employee does not have any post-tax contributions.

Prefix: This field is optional and should reflect the prefix of the employee's name as maintained on their employment record. The options for this field are "Mr." or "Ms."

Pre-Tax Employee Contribution (Pre-tax EECON): This is a required field to report pre-tax employee contributions and pre-tax IPS payments. Contributions must equal the salary times the applicable contribution rate based on the contribution group reported. If the employee is in a non-participating position, then report zero in this field. This field will populate once the calculate button is clicked.

Rate of Pay: This is a required field to provide the employees' hourly, monthly, or annual salary rate. This field is used to calculate actual hours worked to determine a member's service credit. If the Rate of Pay changes in the middle of the month, report the Rate of Pay that was effective at the end of the Posting Month. Report only an employee's regular rate of pay. Do NOT include any additional pay such as overtime in this field.





Salary: This field is required to report the actual wages paid to the employee for the posting month. If reporting a zero dollar salary in this field, it must be accompanied by an appropriate payment reason. The portion of wages earned in the posting month that exceed the IRS fiscal year limit should be excluded from Salary and reported in the “Salary that Exceeds IRS Limit” field.

Salary that Exceeds IRS Limit: This is a required field if any portion of the employee’s salary exceeds the [IRS limit for the fiscal year](#). No contributions should be reported on this amount.

Scheduled Hours Per Day: This is a required field. Hours may be reported in increments and should include at least two decimal positions. Complete this field with the employee’s scheduled hours per day based on a five-day workweek, prior to any adjustments for flexible or alternate work schedules.



Example 1: An employee is scheduled to work 40 hours per week. This Employee elects to work four 10-hour days. In the Scheduled Hours per Day field, the employer would report “8.00” scheduled hours per day.



Example 2: A firefighter is scheduled to work 24 hours on duty and 48 hours off. In the Scheduled Hours per Day field, the employer would report “24.00” scheduled hours per day.

Sick Leave Days: This field is required if an Employment End Date is reported with an Employment End Reason of Retirement, Death or Termination AND the employer participates in the Alternate Sick Leave Program. This data must be reported in days and may be reported in increments. A zero balance is allowed to be reported.

Sick Leave Hours: This field is required if an Employment End Date is reported with an Employment End Reason of Retirement, Death or Termination AND the employer participates in the Standard Sick Leave Program. This data must be reported in hours and may be reported in increments. A zero balance is allowed to be reported.

Social Security Number (SSN): This is a required field for a valid SSN as shown on the employee’s Social Security card. Incorrect SSNs may result in contributions posting to the wrong member’s account or creating an invalid member record. SSNs reported with all zeros or other invalid combinations will result in the contribution record being in error status, which can delay posting to the member’s account or cause contributions to be returned to the employer.

State: This field is required and should contain the state related to the member’s mailing address.

Suffix: This field is optional. This field should reflect the member's legal name as maintained on their employment record. The options for this field are:

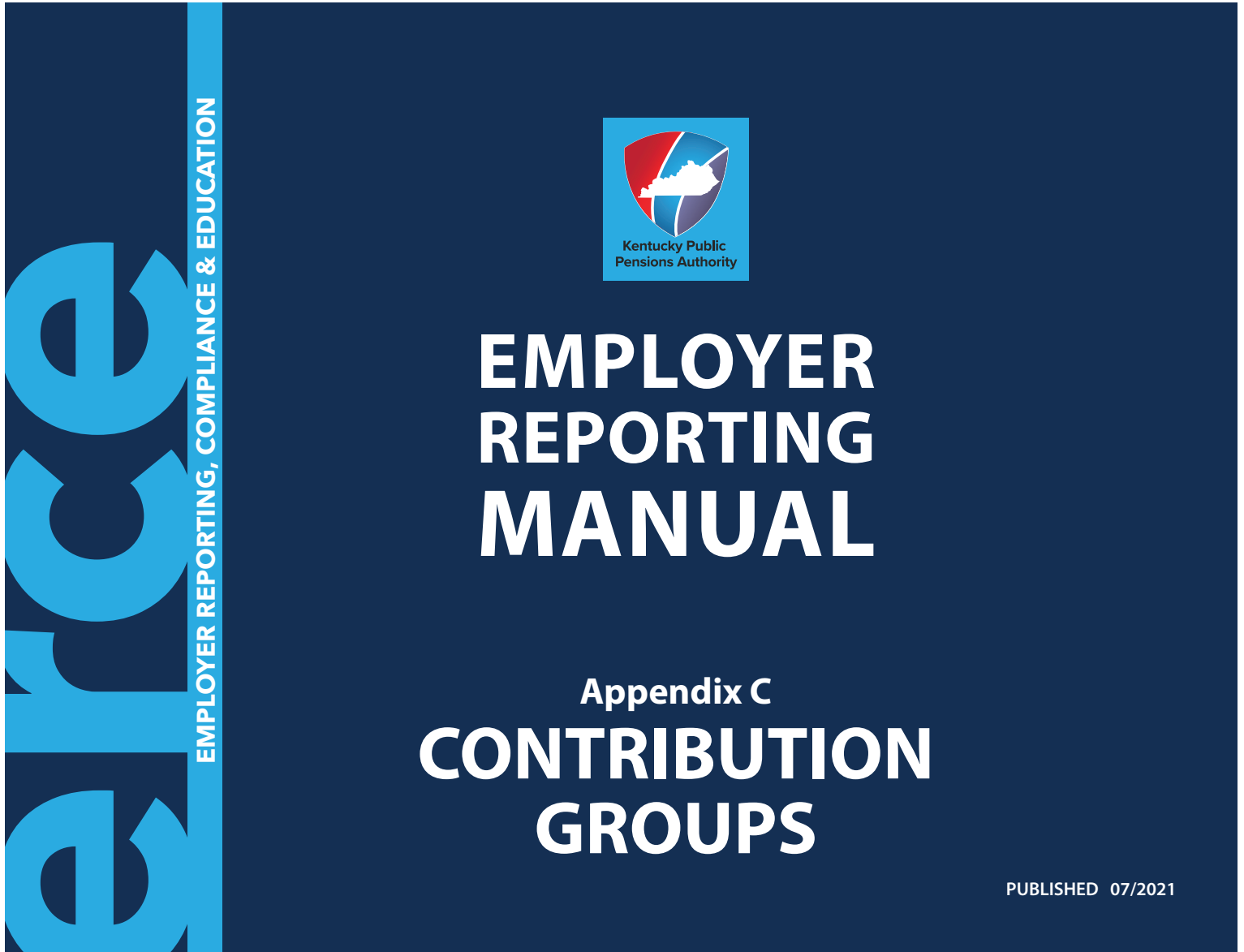
- MD = Medical Doctor
- II = Second
- III = Third
- IV = Fourth
- V = Fifth
- VI = Sixth
- JR = Junior
- SR = Senior

Type of Rate of Pay: This field is required and should not be confused with Payroll Frequency. This field is used to calculate a member's base salary. The options for this field are Hourly, Monthly, or Annual.



School Boards are required to use the Hourly selection for this field.

Zip Code: This field should contain the postal zip code related to the member's mailing address. The first five digits of the zip code are required. The last four digits are optional.



CONTRIBUTION GROUPS

Contribution groups are used to validate employee contributions (EECON), health insurance contributions (HICON) and to calculate employer contributions (ERCON) for each employee reported to KPPA. This designation allows employees to be “organized” based on their contribution group code. Contribution group codes indicate system participation (KERS, CERS or SPRS), plan participation (Nonhazardous or Hazardous) and the required contributions (employee, health insurance and employer).

Visit our website for [current and historical employer contribution rates](#). Contribution groups that require employer contributions are denoted with an asterisk below.

| CONTRIBUTION GROUPS | | | | | | |
|---------------------|--------------------|-------------------------|---|-------|-------|-------|
| RETIREMENT SYSTEM | EMPLOYER PLAN CODE | CONTRIBUTION GROUP CODE | CONTRIBUTION GROUP DESCRIPTION | EECON | HICON | ERCON |
| KERS | KERSNHZ | KNHZNH | KERS Nonhazardous - No Health Insurance | 5.0% | 0.0% | * |
| KERS | KERSNHZ | KNHZHI | KERS Nonhazardous - Health Insurance | 5.0% | 1.0% | * |
| KERS | KERSNHZ | KNHZCB | KERS Nonhazardous - Cash Balance | 5.0% | 1.0% | * |
| KERS | KERSNHZ | KNHZRR | KERS Nonhazardous - Retired Reemployed | 0.0% | 0.0% | * |
| KERS | KERSNHZ | KNHZNP | KERS Nonhazardous - Non-Participating | 0.0% | 0.0% | 0.0% |
| KERS | KERSHZ | KHZNH | KERS Hazardous - No Health Insurance | 8.0% | 0.0% | * |
| KERS | KERSHZ | KHZHI | KERS Hazardous - Health Insurance | 8.0% | 1.0% | * |
| KERS | KERSHZ | KHZCB | KERS Hazardous - Cash Balance | 8.0% | 1.0% | * |
| KERS | KERSHZ | KHZRR | KERS Hazardous - Retired Reemployed | 0.0% | 0.0% | * |
| KERS | KERSHZ | KHZNP | KERS Hazardous - Non-Participating | 0.0% | 0.0% | 0.0% |



EECON
Employee
Contributions

HICON
Health Insurance
Contributions

ERCON
Employer
Contributions



EECON
Employee
Contributions

HICON
Health Insurance
Contributions

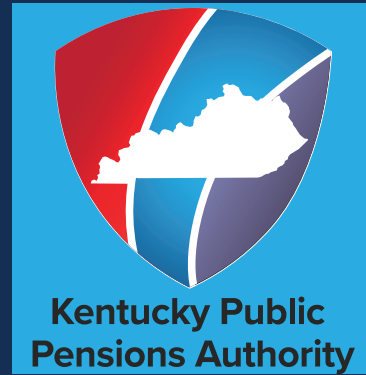
ERCON
Employer
Contributions

| CONTRIBUTION GROUPS | | | | | | |
|---------------------|--------------------|-------------------------|---|-------|-------|-------|
| RETIREMENT SYSTEM | EMPLOYER PLAN CODE | CONTRIBUTION GROUP CODE | CONTRIBUTION GROUP DESCRIPTION | EECON | HICON | ERCON |
| CERS | CERSNHZ | CNHZNH | CERS Nonhazardous - No Health Insurance | 5.0% | 0.0% | * |
| CERS | CERSNHZ | CNHZHI | CERS Nonhazardous - Health Insurance | 5.0% | 1.0% | * |
| CERS | CERSNHZ | CNHZCB | CERS Nonhazardous - Cash Balance | 5.0% | 1.0% | * |
| CERS | CERSNHZ | CNHZRR | CERS Nonhazardous - Retired Reemployed | 0.0% | 0.0% | * |
| CERS | CERSNHZ | CNHZNP | CERS Nonhazardous - Non-Participating | 0.0% | 0.0% | 0.0% |
| CERS | CERSHZ | CHZNH | CERS Hazardous - No Health Insurance | 8.0% | 0.0% | * |
| CERS | CERSHZ | CHZHI | CERS Hazardous - Health Insurance | 8.0% | 1.0% | * |
| CERS | CERSHZ | CHZCB | CERS Hazardous - Cash Balance | 8.0% | 1.0% | * |
| CERS | CERSHZ | CHZRR | CERS Hazardous - Retired Reemployed | 0.0% | 0.0% | * |
| CERS | CERSHZ | CHZNP | CERS Hazardous - Non-Participating | 0.0% | 0.0% | 0.0% |

| CONTRIBUTION GROUPS | | | | | | |
|---------------------|--------------------|-------------------------|--------------------------------------|-------|-------|-------|
| RETIREMENT SYSTEM | EMPLOYER PLAN CODE | CONTRIBUTION GROUP CODE | CONTRIBUTION GROUP DESCRIPTION | EECON | HICON | ERCON |
| SPRS | SPRSZH | SHZNH | SPRS Hazardous - No Health Insurance | 8.0% | 0.0% | * |
| SPRS | SPRSZH | SHZHI | SPRS Hazardous - Health Insurance | 8.0% | 1.0% | * |
| SPRS | SPRSZH | SHZCB | SPRS Hazardous - Cash Balance | 8.0% | 1.0% | * |
| SPRS | SPRSZH | SHZRR | SPRS Hazardous - Retired Reemployed | 0.0% | 0.0% | * |
| SPRS | SPRSZH | SHZNP | SPRS Hazardous - Non-Participating | 0.0% | 0.0% | 0.0% |

force

EMPLOYER REPORTING, COMPLIANCE & EDUCATION



EMPLOYER REPORTING MANUAL

GLOSSARY

PUBLISHED 07/2021



Some glossary terms only apply to [School Board](#) and [KHRIS](#) employers.

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[KRS 61.510\(13\)](#)
[KRS 78.510\(13\)](#)

ACCUMULATED SICK LEAVE: KHRIS employers must provide sick leave in hours for the Standard Sick Leave Program. This cannot be reported in days.

ADJUSTMENTS: For KHRIS records, these can be either monetary changes to members' posted retirement records submitted initially by the Personnel Cabinet or the Agency.

BALANCING EMPLOYER: An entity who submits the monthly summary and payment for a participating employer.

BONUS: A sum of money granted or given to an employee in addition to regular pay, usually in appreciation for work done, length of service, etc. Before a bonus is paid to employees, employers should contact their ERCE representative to determine if the payment meets the definition of a bonus and will be treated as bonus payments according Kentucky Revised Statutes [61.510\(13\)](#) and [78.510\(13\)](#). If the payment meets the definition of a bonus and the payment(s) provided to any employee is in excess of one thousand dollars (\$1,000) in a fiscal year, then the payment amount(s) are averaged over the employee's total service with the system in which it is reported.

CHANGE PASSWORD MODULE: The series of screens in ESS where a user may change the password related to his\her employer account.

CHANGE SECURITY QUESTION MODULE: The series of screens in ESS where a user may change the security question related to his\her employer account.

CONTACT PERSON: The employer designates an individual as a specific type of contact for KPPA. Contact types include: Agency Head, Human Resources, IT, Legal Contact, Payroll, and Reporting Official. More than one person may be designated as a contact type; however, one person must be designated as the Primary Contact for each employer. County and quasi-governmental also include Police Chief and Sheriff contact types. KHRIS employers also have a contact type for E-Mars.

CONTACT PERSONS MODULE: The series of screens in ESS used to add and/or edit the contact person for an employer.

CONTRIBUTION GROUP: Each employee belongs to a Contribution Group. Contribution Group is a field within the monthly report, which is used to "organize" employees into different contribution rate categories (typically based on their participation date). Contribution Group is also used to validate the contribution amounts for each employee.



[READ MORE](#)

[Chapter 1:](#)

[KPPA Information](#)

CONTRIBUTION RECORD: In the detail monthly report, the contribution record provides all required information for an employee. Each employee will have at least one contribution record on the monthly report. A separate record should be submitted anytime an employee has multiple payment reasons, posting months, contribution groups, job positions or position statuses for the report month.

CREDITABLE COMPENSATION: The salary that is reportable to KPPA as defined by Kentucky Revised Statutes 61.510(13) and 78.510(13). Refer to [Chapter 1](#) for additional information.

DEATH NOTICE MODULE: The series of screens within ESS used to report the death of current or former employees.

DOWNLOAD MEMBER ID MODULE: The screens in ESS employers use to view and download the Member ID, SSN, Name, Participation Date and Contribution Group Category of new and existing employees.

E-CHECK: An electronic payment method requiring the ESS user to enter specific information from a paper check to set up a direct debit payment.

EDITS: A series of business rules applied to each file and then each contribution record. Records that fail the edits will be in error and have to be corrected before they can be posted to an employee's account. The entire file will reject if the number of records in error exceeds the established threshold.

ELECTRONIC FUNDS TRANSFER (EFT): An electronic payment method requiring the ESS user to enter specific information for a bank account to set up a direct debit payment.

EMERGENCY: Positions in KERS, SPRS and CERS limited to thirty (30) working days and not renewable. Employees classified under this status should not have contributions withheld from their creditable compensation.

EMPLOYER ADMINISTRATOR: The employee within the agency selected by each employer to administer the ESS users for that particular employer. This person is responsible for setting up new users and maintaining those user accounts. Employers must notify KPPA of a change in the Employer Administrator by submitting a completed [Form 7071](#) in order to create an account for the new Employer Administrator.

EMPLOYER CODE: A four or five-character alphanumeric code assigned by KPPA to identify each employer.



[EMPLOYER FORM
Form 7071](#)

 **PDF LINK**
Record Layout



Contact ERCE

SELF SERVICE



EMPLOYER CONTRIBUTION RECORD LAYOUT: KPPA provides the [required file format](#) for employers to report using the Upload Detail File module.

EMPLOYER PAY CREDIT: The portion of employer contributions deposited into a Tier 3 member’s account each month (currently 4% for nonhazardous and 7.5% for hazardous).

EMPLOYER PIN: A unique Personal Identification Number (PIN) assigned to each ESS user upon registration.

EMPLOYER REPORTING, COMPLIANCE AND EDUCATION (ERCE)

REPRESENTATIVE: A KPPA employee who acts as a liaison between KPPA and the employer. The ERCE Representative provides assistance with employer reporting questions and works to ensure compliance with state and federal statutes, administrative regulations, and KPPA policies and procedures. You can use the Contact Representative link in ESS or [visit our website](#) to find your ERCE Representative.

EMPLOYER SELF SERVICE (ESS): Website used by participating employers for online maintenance of employer contact information, user accounts, and submission of monthly reporting and payment.

EMPLOYMENT BEGIN DATE: A date that must be entered for new hires, re-hires, changes in Contribution Groups, changes in Position Status, and changes in Job Position.

EMPLOYMENT END DATE: Represents the date an employee terminates employment, or changes Contribution Groups, Position Status or Job Position with the same employer.

ENTER REPORT DETAILS MODULE: The series of ESS screens used to enter monthly report details for each employee if the employer is not using the Upload Detail File module for the monthly report.

ERROR CORRECTIONS: For KHRIS employers, records that do not meet the 175 Edit Validation Checks identified by our internal system must be reviewed by ERCE representatives and resolved with assistance from agencies.

END OF YEAR (EOY) PENALTY: Per Kentucky Revised Statute 78.615, if a school board employer fails to file the End of Year Report for a fiscal year with KPPA no later than twenty (20) days following the completion of the fiscal year, KPPA will impose a penalty of one thousand dollars (\$1,000) with an additional two hundred and fifty dollars (\$250) for each additional thirty (30) day period the information is reported late.

FILE CERTIFICATION: For employers using the Upload Detail File module to submit the monthly detail contribution report, the file must pass the validations for proper file format and proper data type in each field, within the established threshold. Once the file has passed the validations, the file is considered certified and is accepted by KPPA.



[READ MORE](#)
[Chapter 2:](#)
[Employee](#)
[Reporting](#)



STATUTE
[KRS 61.702](#)
[KRS 78.5536](#)

HAZARDOUS DUTY COVERAGE: An employer may elect to provide additional benefits for employees who are in a position that meets the definition of hazardous duty according to [Kentucky Revised Statute 61.592](#). See the Hazardous Duty Coverage section in [Chapter 2](#) for detailed information.

HEALTH INSURANCE CONTRIBUTION (HIC): Per [Kentucky Revised Statutes 61.702\(2\)\(b\)](#) and [78.5536](#), the additional one percent contribution due from members who begin participating with a state-administered retirement plan after September 1, 2008. The additional 1% contribution is deposited into a non-refundable account.

HEALTH INSURANCE REIMBURSEMENT: If a retired member with an initial participation date prior to September 1, 2008, has elected health insurance coverage through KPPA but later reemploys with a participating agency in a regular full-time position, the agency is required to reimburse KPPA for the single coverage health insurance contribution provided to the retiree.

INSTALLMENT PURCHASE OF SERVICE (IPS): Payments deducted from an employee's salary for the purchase of service credit per a contract between the member and KPPA.

INTERIM: Positions in KERS established for a one-time or recurring need, not to exceed nine (9) months. Employees classified under this status should not have contributions withheld from their creditable compensation.

INTERMITTENT: Position status for those employees who receive creditable compensation which must be reported to KPPA, but who maintain a sporadic work schedule and may not earn wages every month. See [Chapter 6](#) for detailed information.



[READ MORE](#)
[Chapter 6:](#)
[School](#)
[Boards](#)

INVOICE: An itemized, electronic billing or credit issued to an employer through ESS.

INVOICES MODULE: The series of ESS screens used to review and manage invoices.

MANAGE USERS MODULE: The series of ESS screens the employer administrator uses to add/edit/delete users and modify their security roles.

SELF SERVICE



MEMBER ID: A unique identifier assigned to employees by KPPA after the first reported payroll transaction. Member ID is associated with a person and used to identify the member's KPPA account, regardless of changes in employers and employment status.

MEMBER SELF SERVICE: A website members can use to manage their account online, generate benefit and service purchase estimates, and apply for retirement.

MONTHLY PACKET: An electronic packet accessible through ESS. This packet contains various reports to inform employers of reporting errors and necessary changes to monthly reporting.

MONTHLY PACKET MODULE: The series of ESS screens used to access the Monthly Packet. See also [Monthly Packet](#).

MONTHLY SUMMARY: The electronic summary of monthly contributions; this submission contains totals for the monthly report and allows for payment of the monthly contributions.

NOMINAL FEE: Compensation earned for service as a volunteer that does not exceed \$500 per month. Volunteer compensation from more than one participating employer shall be aggregated to determine if it exceeds \$500 per month.

OFFICE LOCATIONS MODULE: The series of ESS screens used to add and/or edit the addresses of the office locations.

PARTICIPATION DATE: Participation date is when a member began paying contributions and earning service credit with KPPA. This date may be different from the hire date.

PART-TIME: Positions in KERS and CERS which may be permanent but require less than a calendar or fiscal year average of one hundred (100) hours* of work per month.

**For school board employees, these are positions that require an average of less than 80 hours per month over actual days worked in a school year.*

PASSWORD: An ESS password is assigned to the user upon registration.

Valid ESS passwords:

- Must be between 8 and 16 characters long
- Include at least one letter
- Include at least one number
- Include at least one special character
- Are case sensitive
- Should not contain spaces



The following characters are permissible:

- Capital and lower case Aa-Zz
- Numbers 0-9
- Special characters @ # ! % \$

PAYMENT ACCOUNTS MODULE: The series of ESS screens used to add and/or edit payment accounts.

PAYMENT REASON: Designates the type of reported compensation which explains fluctuations in salary and impacts service credit, eligibility for benefits and benefit calculations.

PENALTY: Per [Kentucky Revised Statute 61.675](#) and [Kentucky Revised Statute 78.625](#), if an employer fails to submit all contributions, summary, and/or payment to KPPA by the tenth (10th) of the month following the period being reported, then the employer is subject to a fine of the interest on the delinquent contributions at the actuarial rate adopted by the board compounded annually, but not less than one thousand dollars (\$1,000).

PEND STATUS: For KHRIS employers, a record received from the Personnel Cabinet monthly file with a monetary correction made by KPPA. This record must be corrected by the Personnel Cabinet through KHRIS payroll and is considered to be in a Temporary Status awaiting the correction via the next monthly file.

PENDED TRANSACTION REPORT: For KHRIS employers, this report is included in the Monthly Packet. The report identifies that KPPA made an adjustment to a member's record. The record is in a Pend (Temporary) status awaiting the corrected record on the next Monthly Report. The record will remain on the report until the employer performs some type of action with the Personnel Cabinet.

Pension Spiking: Occurs when a retiring member received an increase in their creditable compensation by more than 10% during the retiring member's the last five (5) fiscal years of employment. If there were any such increases in the retiring member's creditable compensation, KPPA then must evaluate whether the increase(s) meet certain statutory requirements. Refer to [Chapter 2](#) for detailed information.

POSITION STATUS: Used to determine retirement contribution eligibility. Salary and contributions are to be reported for regular full-time positions.

POSTING MONTH: Reflects which month and year the salary record was paid to a member for monthly retirement service credit.



[READ MORE](#)
[Chapter 2:](#)
[Employee](#)
[Reporting](#)



Report and Posting Month will normally be the same date unless adjustment wages have been reported to correct the original salary sent by the agency.

PRIOR PERIOD ADJUSTMENT: Prior Period Adjustments are identified as transactions submitted to correct errors in a previously submitted transaction. The Posting Month indicates the month to which the adjustment is to be applied.

PROBATIONARY: Positions in CERS not to exceed twelve (12) months that must be universally administered by the employer for new employees. These positions are not renewable for the same employee, unless the employee has not been employed with the participating employer for a period of at least twelve (12) months. Employers must have a probationary policy on file at KPPA in order to report employees in this position

REGULAR FULL TIME (NON SCHOOL BOARD): Positions in KERS, CERS, and SPRS that average one hundred (100) or more hours per month over a calendar or fiscal year.



REGULAR FULL TIME (SCHOOL BOARD): Noncertified school board employees are required to average eighty (80) or more hours per month over actual days worked within a school year. Generally, if the employee averages 4 or more hours per day, they should be considered Regular Full Time.

REGULAR FULL TIME LESS THAN 12 MONTHS: Positions in KERS or CERS that are held by regular full-time employees who do not work 12 months per year but are paid over 12 months, excluding classified employees of local school boards. Some examples include head start employees employed by community action agencies and school nurses employed by local health departments.

REPORT MONTH: Reflects the month and year that the salary record was reported to KPPA for retirement purposes. An employer contribution file must only contain records for one unique report month.

REPORTING EMPLOYER: A Reporting Employer is an entity who submits the monthly contribution detail report for a participating employer.

REPORTING OFFICIAL: The Reporting Official is the person designated by each employer as the primary contact for KPPA .

RETIREE SELF SERVICE: A website retirees members can use to manage their account online and submit their health insurance application online during open enrollment.





RETROACTIVE PAYMENT: Transactions submitted for Posting Months prior to the Report Month where no previous reporting has been submitted.

SEASONAL: Position status in KERS and CERS which is temporary in duration, which coincide in duration with a particular season or seasons of the year and which may recur regularly from year to year and is limited to nine (9) months, with the exception of noncertified school boards which cannot exceed six (6) months.

SECURE EMAIL PORTAL: A secure email solution that protects confidential information exchanged between KPPA and participating agencies. The portal uses strong encryption to safeguard the confidentiality of email communications and greatly reduces the risk of costly disclosures that could put our members at risk of identity theft and other fraudulent activity. The [Secure Email Portal User Manual](#) outlines clear, step-by-step instructions for accessing and using the portal.

SECURITY ROLES: Security Roles are assigned to ESS users to limit the accessibility of information available to the user.

SEMINARS MODULE: Allows employers to register for seminars in ESS. Detailed information for each seminar including the session, topic to be discussed, date and time is displayed.

SEVERANCE PAY: Additional pay given to an employee when his/her employment ends.

STATE FUNDED EXPENSES: Annual expenses paid to Jailers, Sheriffs, and County Judge Executives for performance of duties, for which employer contributions are billed to individual county employers.

SUBMIT MONTHLY SUMMARY MODULE: The series of ESS screens used to submit the monthly summary and payment for the monthly report. See also Monthly Summary.

TEMPLATE: In order for an employer to submit the monthly detail report, a template is generated each month and available in ESS once the previous month's report has been posted. In Upload Detail File, a template will be created every monthly once the file has been certified by KPPA to allow the employer to upload the (next month's) detail file. In Enter Report Details a template is created every month containing the detail of the previous reporting to avoid requiring the employer to manually enter all employee information. This allows the employer to review the contribution details and only update those records where a change needs to be reported.



TEMPORARY: Status for position in KERS which may not exceed nine (9) months, and positions in CERS not to exceed twelve (12) months and not renewable.

TERMINATION DATE: Last date of employment with an agency.

UPLOAD DETAIL FILE MODULE: The series of screens in ESS that will be used to upload the monthly detail contribution file for employers who are reporting via an electronic file. See also [Employer Contribution Record Layout](#)

UPLOAD END OF YEAR (EOY) FILE MODULE: The series of screens in ESS used for a school board employer to upload the EOY report to KPPA 20 days after the end of the fiscal year.

USER: A person the employer assigns to access ESS. Each user will be assigned a security role by the Employer Administrator. In order to be set up as a user, the person must first be designated as a contact person.

VOLUNTEER: An individual who, freely and without pressure or coercion, performs hours of service for an employer participating in one of the systems administered by KPPA without compensation for those hours of service, except reimbursement of actual expenses, payment of a nominal fee to offset the costs of performing the services, or both. A retired member cannot become an employee, leased employee, or independent contractor for the employer for which he or she is performing the services for a period of 12 months following the retired member's most recent retirement date.



Election or Rejection of Participation For Mayors & Members of City Legislative Bodies

Mayor/Council Member Information

| | |
|-------------|-------------------------------|
| Name: _____ | Social Security Number: _____ |
|-------------|-------------------------------|

Participation Status

I, _____, occupying a regular full-time position with
Name

_____ as a _____
City *Position Title*

Elect **Reject**

membership in the County Employees Retirement System pursuant to the provisions of KRS 78.540(1).

Notice: Persons who reject participation will forfeit all service credit related to this position and will not be able to buy the service credit at a later date. By forfeiting this service credit, the person is foregoing retirement and health insurance benefits based upon the service credit.

Certification

I hereby certify that the information completed on this form is true and accurate. I acknowledge that I have full understanding that any person who provides a false statement, report, or representation to a governmental entity such as KPPA is subject to penalty of perjury in accordance with KRS 523.010, et seq.

Signed: _____

Date: _____

Witness: _____

Date: _____



Advice of Personnel Action

This form should be used for verifying dates of personnel actions prior to 9/15/2011.

Member Information

| | |
|---|------------|
| Member Name: | Member ID: |
| Employment Begin Date: | |
| The Employment Begin Date represents the date the member's employment began with your agency. | |
| Eligibility Date: | |
| The Eligibility Date represents the date the member became eligible to contribute to CERS, KERS, or SPRS. | |
| Employment End Date: | |
| The Employment End Date represents the date the member terminated employment. | |

Employer Information

| | |
|----------------|---------------|
| Employer Name: | |
| Employer Code: | Phone Number: |

I hereby certify that the information completed on this form is true and accurate. I acknowledge that I have full understanding that any person who provides a false statement, report, or representation to a governmental entity such as KPPA is subject to 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 benefit, the employer I represent, and I (personally) may be liable for restitution of the benefits for which the member was not eligible to receive, civil payments, legal fees, and costs.

Signature of Agency Head or Reporting Official: _____

Title: _____

Date: _____

Please provide any comments below.



Leave Without Pay Verification

Member Information

| | |
|--------------|------------|
| Member Name: | Member ID: |
|--------------|------------|

Dates of Leave

Leave Without Pay Begin Date: _____

Leave Without Pay End Date: _____

Type of Leave

- Military Leave
- Approved Sick Leave Without Pay
- Family and Medical Leave Act (FMLA)
- Maternity Leave
- Educational Leave
- Other (please specify) _____

Employer Information

| | |
|----------------|---------------|
| Employer Name: | |
| Employer Code: | Phone Number: |

I hereby certify that the information completed on this form is true and accurate. I acknowledge that I have full understanding that any person who provides a false statement, report, or representation to a governmental entity such as KPPA is subject to 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 benefit, the employer I represent, and I (personally) may be liable for restitution of the benefits for which the member was not eligible to receive, civil payments, legal fees, and costs.

Signature of Agency Head
or Reporting Official: _____

Title: _____

Date: _____



Beneficiary Designation

Form 2035
Revised 03/2024

Member Information Please provide your Member ID or Social Security Number in the Member ID box below.

| | | |
|---|--|-------------------|
| Member Name: | Phone (select type) <input type="checkbox"/> Mobile <input type="checkbox"/> Home <input type="checkbox"/> Work | Member ID or SSN: |
| KPPA will update contact information for your retirement account based on the details provided below. | | |
| Address: | City: | State: Zip Code: |
| Member's Date of Birth: | Sex: | Personal Email: |

Notice: This form is not valid unless it is completed correctly and received by the retirement office prior to the member's death.

The member and a witness must sign this form or it will not be accepted. You may name one or more individuals, your estate, or a trust as principal or contingent beneficiary of your retirement account. If you wish to name more than four individuals as principal or contingent beneficiaries, please contact our office. Your beneficiary designation may be changed at any time prior to retirement by filing a new Form 2035.

Principal Beneficiary Section: Please select one of the beneficiary types below by checking the appropriate box. The principal beneficiary will receive benefits in the event of your death.

Person

You cannot name yourself as principal beneficiary. You also cannot name the same person as both principal and contingent beneficiary. If you name a single individual as beneficiary, that individual may be eligible for a lifetime benefit upon your death, depending on your total service credit. If you name multiple individuals, your estate or a trust, no lifetime benefit is available. If you name more than one individual as principal beneficiary you may indicate the percentage each beneficiary is to receive. Percentages for the principal beneficiary section should total but not exceed 100%. If you do not indicate percentages, disbursement of payment will be divided equally among living principal beneficiaries, or if all principal beneficiaries have died, among all living contingent beneficiaries, as provided in KRS 61.542 and 78.545.

| | |
|---|---|
| <p>1. Name: _____ %: _____</p> <p>Social Security Number: _____ Sex: _____</p> <p>Date of Birth: _____ Relationship: _____</p> <p>Address: _____</p> <p>City: _____ State: _____ Zip Code: _____</p> | <p>2. Name: _____ %: _____</p> <p>Social Security Number: _____ Sex: _____</p> <p>Date of Birth: _____ Relationship: _____</p> <p>Address: _____</p> <p>City: _____ State: _____ Zip Code: _____</p> |
|---|---|

| | |
|---|---|
| <p>3. Name: _____ %: _____</p> <p>Social Security Number: _____ Sex: _____</p> <p>Date of Birth: _____ Relationship: _____</p> <p>Address: _____</p> <p>City: _____ State: _____ Zip Code: _____</p> | <p>4. Name: _____ %: _____</p> <p>Social Security Number: _____ Sex: _____</p> <p>Date of Birth: _____ Relationship: _____</p> <p>Address: _____</p> <p>City: _____ State: _____ Zip Code: _____</p> |
|---|---|

My Estate

If you name your estate as a principal beneficiary, you cannot name a contingent beneficiary. No additional information required.

Living Trust

The following information is required to designate a living trust. You must write the name of the trust as it appears in the trust document and submit a copy of the trust with this form. A charitable organization or a religious charity cannot be named as beneficiary unless it is a trust.

| | | |
|---|--|------------------|
| Name of Trust: | Trust Tax ID: | Date of Trust: |
| Trustee or Successor Trustee Contact Information: | | |
| Name: | Phone (select type) <input type="checkbox"/> Mobile <input type="checkbox"/> Home <input type="checkbox"/> Work | |
| Address: | City: | State: Zip Code: |

Testamentary Trust

A testamentary trust is established by the member's will and takes effect following the member's death. No additional information required.

Contingent Beneficiary Section: Please select one of the beneficiary types below by checking the appropriate box. The contingent beneficiary will receive benefits in the event of your death only if all of the named principal beneficiaries are deceased. If you named your estate as the principal beneficiary, you cannot name a contingent beneficiary.

Person

You cannot name yourself as contingent beneficiary. You also cannot name the same person as both principal and contingent beneficiary. If you name more than one individual as contingent beneficiary you may indicate the percentage each beneficiary is to receive. Percentages for the contingent beneficiary section should total but not exceed 100%. If you do not indicate percentages, disbursement of payment will be divided equally among living principal beneficiaries, or if all principal beneficiaries have died, among all living contingent beneficiaries, as provided in KRS 61.542 and 78.545.

| | |
|--|--|
| <p>1 Name: _____ %: _____</p> <p>Social Security Number: _____ Sex: _____</p> <p>Date of Birth: _____ Relationship: _____</p> <p>Address: _____</p> <p>City: _____ State: _____ Zip Code: _____</p> | <p>2 Name: _____ %: _____</p> <p>Social Security Number: _____ Sex: _____</p> <p>Date of Birth: _____ Relationship: _____</p> <p>Address: _____</p> <p>City: _____ State: _____ Zip Code: _____</p> |
| <p>3 Name: _____ %: _____</p> <p>Social Security Number: _____ Sex: _____</p> <p>Date of Birth: _____ Relationship: _____</p> <p>Address: _____</p> <p>City: _____ State: _____ Zip Code: _____</p> | <p>4 Name: _____ %: _____</p> <p>Social Security Number: _____ Sex: _____</p> <p>Date of Birth: _____ Relationship: _____</p> <p>Address: _____</p> <p>City: _____ State: _____ Zip Code: _____</p> |

My Estate

No additional information required.

Living Trust

The following information is required to designate a living trust. You must write the name of the trust as it appears in the trust document and submit a copy of the trust with this form. A charitable organization or a religious charity cannot be named as beneficiary unless it is a trust.

| | | |
|---|--|------------------|
| Name of Trust: | Trust Tax ID: | Date of Trust: |
| Trustee or Successor Trustee Contact Information: | | |
| Name: | Phone (select type) <input type="checkbox"/> Mobile <input type="checkbox"/> Home <input type="checkbox"/> Work | |
| Trustee Address: | City: | State: Zip Code: |

Testamentary Trust

A testamentary trust is established by the member's will and takes effect following the member's death. No additional information required.



This form is not valid unless signed by the member and witnessed. Please ensure that you have only checked one beneficiary type box in the principal beneficiary section and one beneficiary type box in the contingent beneficiary section. If you select more than one beneficiary type in either section, this form will be considered invalid. Please initial all corrections you have made to the form. Failure to initial changes may cause the form to be invalid.

I hereby certify that the information completed on this form is true and accurate. I acknowledge that I have full understanding that any person who provides a false statement, report, or representation to a governmental entity such as KPPA is subject to penalty of perjury in accordance with KRS 523.010, et seq.

| | |
|----------------------------------|------------|
| Your Signature: | Member ID: |
| Witness Signature: (REQUIRED) | Date: |



Notification of Retirement Instructions

Ready to retire? Completing this form is your first step. Please call our office at 1-800-928-4646 if you have questions or if you need assistance completing forms. Members are encouraged to visit our website at kyret.ky.gov for additional information.

Form 6000 - Notification of Retirement

You should submit your Form 6000 at least one month prior to your effective retirement date. Please note that you cannot file your Form 6000 more than 6 months prior to termination of employment. Disability Retirement applicants must complete Section I.

The Form 6000 contains several sections. Please review this form carefully and refer to the instructions for each section. Additional instructions for completing Section F - Tax Withholding are provided on page 3.

Date of Birth Verification for Member and Beneficiary is required.

Please write your Member ID on all copies you submit.

Acceptable forms of date of birth verification include the following:

- Kentucky Driver's License
- Military Discharge
- Birth Certificate
- Immigration and Naturalization Records

Your Member ID

Your Member ID is a unique account number for your KPPA account. If you received this form from our office, your Member ID is provided. If you access this form from our website and don't know your Member ID, you can contact our office at 1-800-928-4646. You will need to provide your Social Security Number and your four-digit KPPA PIN to obtain your Member ID.

Form 6200 - Insurance Application

If you will be receiving a monthly payment, you may be eligible for health insurance coverage for you, your spouse, and eligible dependents. KPPA offers Medicare and non-Medicare plans. You may access insurance applications and enrollment booklets by visiting our website at kyret.ky.gov. Please call our office to request a printed copy.

You must return an insurance application by the deadlines described below, even if you wish to waive coverage. If you fail to return a completed application, you will be enrolled automatically into a default plan for the current plan year. If you choose not to participate in the coverage, you will need to complete the Form 6200 to waive your coverage; otherwise, you will be enrolled automatically into a default plan as described above.

Insurance Application Deadlines

For insurance coverage to begin the same month as your retirement payment, you must file a Form 6200 with our office by the last day of the month *prior* to the month you retire. For example:

| Retirement Date | Application Due By | Insurance Effective Date |
|-----------------|--------------------|--------------------------|
| May 1 | April 30 | May 1 |

If you miss the above deadline, you can still submit an application. Your Form 6200 must be filed with our office within 30 days of the first day of the month in which you retire. For example:

| Retirement Date | Application Due By | Insurance Effective Date |
|-----------------|--------------------|--------------------------|
| May 1 | May 30 | June 1 |

 Additional instructions are provided on the following page. Keep reading to find out your deadline for returning retirement forms.

Your Next Step: Check your mailbox.

Once we process your Form 6000, we will send you additional forms for completion. The checklists below will help you decide which forms you need to return to our office.

If you elect to receive a monthly benefit, complete and return the following:

- Form 6010, Estimated Retirement Allowance
- Form 6200, Insurance Application (*refer to insurance application and deadlines on page 1*)

If you elect to receive an actuarial or lump sum refund complete and return the following:**

- Form 6010, Estimated Retirement Allowance
- Form 6025, Direct Rollover/Direct Payment Election

***We require additional verification from your employer before we can process a refund which may delay your check. Upon receipt of the above forms, we will mail required forms to you and your employer for completion.*



All required forms and documentation must be filed with our office by the last day of the month prior to your effective retirement date. You are responsible for filing your insurance application prior to the deadlines noted on page 1 or you will be enrolled automatically into a default plan.

| Retirement Date | Due Date |
|-----------------|--------------|
| January 1 | December 31 |
| February 1 | January 31 |
| March 1 | February 28 |
| April 1 | March 31 |
| May 1 | April 30 |
| June 1 | May 31 |
| July 1 | June 30 |
| August 1 | July 31 |
| September 1 | August 31 |
| October 1 | September 30 |
| November 1 | October 31 |
| December 1 | November 30 |

If you have any questions, please contact our office at (502) 696-8800 or (800) 928-4646. Our office is open from 8:00 am to 4:30 pm Monday through Friday.



Form W4-P Instructions

Your monthly retirement benefit is subject to federal taxes. **You may choose your federal tax withholding preference by completing Section F of your Form 6000, Notification of Retirement. *If you do not complete Section F, KPPA will automatically withhold federal income tax as single with no adjustments.*** You may find the worksheets below helpful when completing Section F.

Additional information is available on the Internal Revenue Service website at www.irs.gov.

Purpose. Form W4-P is for U.S. citizens, resident aliens, or their estates who are recipients of pensions, annuities (including commercial annuities), and certain other deferred compensation. Use Form W4-P to tell payers the correct amount of federal income tax to withhold from your payment(s). You also may use Form W4-P to choose (a) not to have any federal tax withheld from the payment (except for eligible rollover distributions or payments to U.S. citizens delivered outside the United States or its possessions) or (b) to have an additional amount of tax withheld.

What do I need to do? Use the worksheets on the following page to further adjust your withholding allowances for itemized deductions, adjustments to income, any additional standard deduction, certain credits, or multiple pensions/more-than-one-income situations. If you do not want any federal income tax withheld (see Purpose, earlier), you can skip the worksheets and go directly to the Form W4-P, Section F of the Form 6000.

Future developments. For the latest information about any future developments affecting Form W-4P, such as legislation enacted after we release it go to www.irs.gov/w4p.

- Filing Status: **Single** or **Married filing separately** **Married filing jointly** or **Qualifying widow(er)**
- Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)**

Step 1: Multiple Pensions/More-Than-One-Income Worksheet (Keep for your records.)

Complete this step if you (1) have income from a job or more than one pension/annuity, or (2) are married filing jointly and your spouse receives income from a job or a pension/annuity.

Do **only one** of the following.

- (a) Reserved for future use.
- (b) Complete the items below.

- (i) If you (and/or your spouse) have one or more jobs, then enter the total taxable annual pay from all jobs, plus any income entered on Form W-4, Step 4(a), for the jobs less the deductions entered on Form W-4, Step 4(b), for the jobs. Otherwise, enter "-0-" \$ _____
- (ii) If you (and/or your spouse) have any other pensions/annuities that pay less annually than this one, then enter the total annual taxable payments from all lower-paying pensions/annuities. Otherwise, enter "-0-" \$ _____
- (iii) Add the amounts from items (i) and (ii) and enter the **total** here \$ _____

TIP: To be accurate, submit a 2022 Form W-4P for all other pensions/annuities. Submit a new Form W-4 for your job(s) if you have not updated your withholding since 2019.

If (b)(i) is blank and this pension/annuity pays the most annually, complete Steps 2–3(b) on this form. Otherwise, do not complete Steps 3–4(b) on this form.

Step 2. Claim Dependents and Other Credits (Keep for your records)

If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly):

- Multiply the number of qualifying children under age 17 by \$2,000 \$ _____
- Multiply the number of other dependents by \$500 \$ _____
- Add other credits, such as foreign tax credit and education tax credits \$ _____
- Add the amounts for qualifying children, other dependents, and other credits and enter the total here \$ _____

Form W-4P Instructions *Continued*

Step 4. Other Adjustments (Keep for your records)

- a) **Other income (not from jobs or pension/annuity payments).** If you want tax withheld on other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, taxable social security, and dividends \$ _____
- b) **Deductions.** If you expect to claim deductions other than the basic standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here \$ _____
- c) **Extra withholding.** Enter any additional tax you want withheld from **each payment** \$ _____

Step 4. Deductions, Adjustments, and Additional Income Worksheet

- 1 Enter an estimate of your 2022 itemized deductions (from Schedule A (Form 1040)). Such deductions may include qualifying home mortgage interest, charitable contributions, state and local taxes (up to \$10,000), and medical expenses in excess of 7.5% of your income 1 \$ _____
- 2 Enter:
 • \$25,900 if you're married filing jointly or qualifying widow(er)
 • \$19,400 if you're head of household
 • \$12,950 if you're single or married filing separately 2 \$ _____
- 3 If line 1 is greater than line 2, subtract line 2 from line 1 and enter the result here. If line 2 is greater than line 1, enter "-0-" 3 \$ _____
- If line 3 equals zero, and you (or your spouse) are 65 or older, enter:
 • \$1,750 if you're single or head of household.
 • \$1,400 if you're a qualifying widow(er) or you're married and one of you is under age 65.
 • \$2,800 if you're married and both of you are age 65 or older
 Otherwise, enter "-0-". See Pub. 505 for more information 4 \$ _____
- 5 Enter an estimate of your student loan interest, deductible IRA contributions, and certain other adjustments (from Part II of Schedule 1 (Form 1040)). See Pub. 505 for more information 5 \$ _____
- 6 Add lines 3 through 5. Enter the result here and in Step 3(b) on Form W-4P 6 \$ _____



Form 6000
Revised 06/2023

Notification of Retirement

Please read the instructions for each section and complete all information requested in Sections A-G. Section H must be completed by your current employer. Section I must also be completed if applying for disability retirement.

Section A: Member Information

You must attach a copy of your birth verification.

| | | | |
|----------------|--|------------|-----------|
| Member Name: | | Member ID: | |
| Address: | City: | State: | Zip Code: |
| E-mail: | Phone: | | |
| Date of Birth: | Sex: <input type="checkbox"/> Male <input type="checkbox"/> Female | | |

Please note: If your current legal name or your beneficiary's current legal name is not the same as the name on the date of birth verification you have submitted we will also require verification of name change. Acceptable name change verification includes:

- Kentucky Driver's License
- Marriage Certificate
- Court Order
- Passport
- Immigration and/or Naturalization Documents

You must provide a termination date and retirement date below.

Termination Date: _____
Month Day Year

Retirement Date: _____ 1, _____
Month Year

(YOUR TERMINATION DATE MUST BE PRIOR TO YOUR RETIREMENT DATE.)

(YOUR RETIREMENT DATE MUST BE THE FIRST DAY OF THE MONTH.)

Section B - Type of Retirement and Retirement Systems

If applying for normal or early retirement, you may not submit this form more than 6 months prior to termination of employment. You must terminate your employment to be eligible for early or normal retirement benefits. Check the appropriate boxes to indicate the retirement systems from which you intend to retire.

Disability Retirement applicants must complete Section I.

| | |
|--|---|
| <input type="checkbox"/> NORMAL OR EARLY RETIREMENT | <input type="checkbox"/> DISABILITY RETIREMENT |
|--|---|

- Kentucky Employees Retirement System - KERS** (state employees, health departments, universities)
- County Employees Retirement System - CERS** (city, county, local governments, classified employees of boards of education)
- State Police Retirement System - SPRS** (full-time officers of Kentucky State Police)

Other State Administered Retirement Systems

If you have an account in one of the systems administered by the Kentucky Public Pensions Authority (KERS, CERS, or SPRS) and in one of the other state administered retirement systems (listed below), you will need to complete the retirement application for the other system in order to be eligible for reciprocal benefits from all systems.

- Teachers' Retirement System - (certified employees of boards of education)**
- Legislators' Retirement Plan - LRP (State Senators and Representatives)**
- Judicial Retirement Plan - JRP (Judges)**

Section C - Retirement Account Beneficiary Designation

Your account beneficiary can only be one person, a trust or your estate. Indicate your beneficiary by checking one of the beneficiary types below and providing the necessary information. This designation will become invalid if you file a new Form 6000 prior to your effective retirement date or if this form is voided.

| | |
|--------------|------------|
| Member Name: | Member ID: |
|--------------|------------|

| | | | |
|--|-------|---|------------------------------|
| <input type="checkbox"/> Person Attach a copy of this person's birth verification to this form with your Member ID written on it. | | | |
| Name: | | Social Security Number: | |
| Date of Birth: | | <input type="radio"/> Male | <input type="radio"/> Female |
| Relationship: | | <input type="checkbox"/> Check this box if this person is also your legal spouse. | |
| Address: | City: | State: | Zip Code: |

| |
|---|
| <input type="checkbox"/> My Estate No additional information required. |
|---|

| | | | |
|--|-------|------------------------------------|-----------|
| <input type="checkbox"/> Living Trust The following information is required to designate a living trust. <u>You must write the name of the trust as it appears in the trust document and submit a copy of the trust with this form.</u> A charitable organization or a religious charity cannot be named as beneficiary unless it is a trust. | | | |
| Name of Trust: | | | |
| Trust Tax ID: | | | |
| Trustee or Successor Trustee Contact Information: Our office will contact the trustee listed below following your death. | | | |
| Trustee: | | Successor Trustee (if applicable): | |
| Address: | City: | State: | Zip Code: |

| |
|--|
| <input type="checkbox"/> Testamentary Trust A testamentary trust is established by the member's will and takes effect following the member's death. No additional information required. |
|--|

Section D - \$5000 Death Benefit from Kentucky Public Pensions Authority - Complete only if eligible
To be eligible for this benefit, you must be a retired member receiving a monthly benefit on the date of your death from Kentucky Public Pensions Authority based on a minimum of 48 months of service.

If eligible for this benefit, you may name one death benefit beneficiary. This designation is not valid if you designate more than one beneficiary. Your estate will become your default beneficiary if this designation is deemed to be invalid. This designation may be changed at any time prior to your death by filing a properly completed Form 6030, Death Benefit Designation.

| | |
|--------------|------------|
| Member Name: | Member ID: |
|--------------|------------|

Person You may only name one person as your death benefit beneficiary.

| | | | |
|----------------|---------------|----------------------------|------------------------------|
| Name: | | Social Security Number: | |
| Date of Birth: | Relationship: | <input type="radio"/> Male | <input type="radio"/> Female |
| Address: | City: | State: | Zip Code: |

My Estate No additional information required.

Living Trust The following information is required to designate a living trust. You must write the name of the trust as it appears in the trust document and submit a copy of the trust with this form. A charitable organization or a religious charity cannot be named as beneficiary unless it is a trust.

| | | | |
|--|-------|------------------------------------|-----------|
| Name of Trust: | | | |
| Trust Tax ID: | | | |
| Trustee or Successor Trustee Contact Information: Our office will contact the trustee listed below following your death. | | | |
| Trustee: | | Successor Trustee (if applicable): | |
| Address: | City: | State: | Zip Code: |

Testamentary Trust A testamentary trust is established by the member's will and takes effect following the member's death. No additional information required.

Funeral Home Please enclose a copy of the Funeral Home License with your Member ID written on it.

| | | | |
|--------------------------|---------------|------------------------------|-----------|
| Funeral Home Legal Name: | | Funeral Home License Number: | |
| Funeral Home Tax ID: | Contact Name: | Phone: | |
| Address: | City: | State: | Zip Code: |

Section E - Authorization for Deposit of Retirement Payment

Complete this section to authorize deposit of your retirement benefit directly into your account at a financial institution.

Financial Institution Information: The financial institution may be a bank, savings bank, savings and loan association, credit union, or similar institution that is a member of the Automated Clearing House (ACH). Your direct deposit institution may be changed at any time by filing a properly completed Form 6130, Authorization for Deposit of Retirement Payment.

Financial Institution Name: _____

Depositor Routing Number: _____

Depositor Account Number: _____

Account Type: Checking Savings

For your convenience:
The sample check shows where to locate the required bank information to complete your Direct Deposit.

Required Documents: Please indicate the documentation you are submitting with this form.

For deposits to a Checking Account:
I have attached to this form a VOIDED personalized check verification from my financial institution

For deposits to a Savings Account:
I have attached to this form verification from my financial institution

Attach Voided Check Here:

(Attach Voided Check Here)

I acknowledge that electronic payments to the designated account must comply with the provisions of U.S. law, as well as the requirements of the Office of Foreign Assets Control (OFAC) and National Automated Clearing House Association (NACHA) regulations. I certify that the entire payment that the Kentucky Public Pensions Authority sends electronically to the financial institution I have designated, is not subject to being transferred to a foreign bank. I agree to notify the Kentucky Public Pensions Authority in writing immediately if the payment becomes subject to transfer to a foreign bank in the future.

If all required forms have been completed properly and returned by the end of the month prior to your retirement date, the first check will be deposited or mailed on the *14th* of the first month of retirement. **Due to deadlines required to establish a direct deposit, your first benefit payment is not guaranteed to be deposited to your account.** Many benefit payments for the first month of retirement are mailed. After the initial payment, the monthly benefit will be deposited to the retired member's account on the *14th* of each month. If the *14th* of the month is a weekend or holiday, the benefit will be mailed or deposited the business day prior. Members are required to have the monthly retirement benefit deposited directly to their bank accounts, unless their bank does not participate in the Automated Clearing House or the member does not have an account with a financial institution.

Section F - Tax Withholding

Your monthly retirement benefit is subject to federal taxes. You may choose your federal tax withholding preference below. If you do not complete this section correctly, KPPA will automatically withhold federal income tax based on Single with no adjustments. You may refer to the instructions for Form W4-P provided with your retirement application. You may change your tax withholding at any time by filing a properly completed Form 6017, W-4P, Tax Withholding.

Form **W-4P**
 Department of the Treasury
 Internal Revenue Service

**Withholding Certificate for
 Pension or Annuity Payments**

OMB No. 1545-0074
 FOR TAX YEAR IN WHICH
 MEMBER RETIRES

| | | | |
|-------------------------------|--------|-----------|---|
| Type or print your full name. | | | Member ID: Claim or identification number (if any) of your pension or annuity contract |
| Address: | | | |
| City: | State: | Zip Code: | |

- No Taxes Withheld**
- Single or Married filing separately**
- Married filing jointly or Qualifying widow(er)**
- Head of household** (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)

Complete Steps 2-4 ONLY if they apply to you.

Step 2: Income From a Job and/or Multiple Pensions/Annuities (Including a Spouse's Job/Pension/Annuity)
 Complete this step if you (1) have income from a job or more than one pension/annuity, or (2) are married filing jointly and your spouse receives income from a job or a pension/annuity.
 Do **only one** of the following.
 (a) Reserved for future use.
 (b) Complete the items below.
 (i) If you (and/or your spouse) have one or more jobs, then enter the total taxable annual pay from all jobs, plus any income entered on Form W-4, Step 4(a), for the jobs less the deductions entered on Form W-4, Step 4(b), for the jobs. Otherwise, enter "-0-" ▶ \$ _____
 (ii) If you (and/or your spouse) have any other pensions/annuities that pay less annually than this one, then enter the total annual taxable payments from all lower-paying pensions/annuities. Otherwise, enter "-0-" ▶ \$ _____
 (iii) Add the amounts from items (i) and (ii) and enter the **total** here ▶ \$ _____
TIP: To be accurate, submit a 2022 Form W-4P for all other pensions/annuities. Submit a new Form W-4 for your job(s) if you have not updated your withholding since 2019. If you have self-employment income, see page 2.

If (b)(i) is blank and this pension/annuity pays the most annually, complete Steps 3-4(b) on this form. Otherwise, do not complete Steps 3-4(b) on this form.

If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly):

Step 3: Claim Dependent and Other Credits
 Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$ _____
 Multiply the number of other dependents by \$500 ▶ \$ _____
 Add other credits, such as foreign tax credit and education tax credits ▶ \$ _____
 Add the amounts for qualifying children, other dependents, and other credits and enter the total here 3 \$ _____

Step 4: (optional): Other Adjustments
(a) Other income (not from jobs or pension/annuity payments). If you want tax withheld on other income you expect this year that won't have withholding, enter the amount of other income here. 4(a) \$ _____
 This may include interest, taxable social security, and dividends
(b) Deductions. If you expect to claim deductions other than the basic standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here 4(b) \$ _____
(c) Extra withholding. Enter any additional tax you want withheld from **each payment** 4(c) \$ _____

Section G - Certification of Bona Fide Separation from Service and Notification of Retirement

Subject to penalty of KRS 523.100: I acknowledge that federal and state law both require a bona fide separation from service with agencies participating in the Kentucky Public Pensions Authority or entities affiliated with participating agencies in order for the Kentucky Public Pensions Authority to pay a retirement benefit or to pay a refund of a retirement account.

If I am retiring, I affirm that I have had a separation from service with agencies participating in the Kentucky Public Pensions Authority or entities affiliated with participating agencies, or that I will have a separation from service with agencies participating in the Kentucky Public Pensions Authority or entities affiliated with participating agencies prior to my retirement date. I also affirm that I do not have a prearranged agreement to return to a participating agency or entities affiliated with participating agencies after my separation from service.

If I am taking a refund of my retirement account, I affirm that I have had a separation from service with agencies participating in the Kentucky Public Pensions Authority or entities affiliated with participating agencies. I also affirm that I do not have a prearranged agreement to return to a participating agency or entities affiliated with participating agencies after my separation from service.

I understand that the term "separation from service" as used in this affidavit means a complete severance of any kind of employment relationship (including but not limited to a relationship as an independent contractor or leased employee) with agencies participating in the Kentucky Public Pensions Authority or entities affiliated with participating agencies.

I understand that the term "prearranged agreement" as used in this affidavit means any contemplation of return to employment with agencies participating in the Kentucky Public Pensions Authority or entities affiliated with participating agencies.

I understand that the terms "agencies participating in the Kentucky Public Pensions Authority" and "participating agency" as used in this affidavit are to be construed in a broad manner, and include not only the agency itself, but also any entities affiliated with participating agencies, regardless of whether such entities are holding themselves out as legally separate entities.

I acknowledge that prior to accepting employment within twelve (12) months of my retirement date with an agency participating in the Kentucky Public Pensions Authority or entities affiliated with participating agencies, I have a duty to report such employment in writing to the Kentucky Public Pensions Authority pursuant to 105 KAR 1:390.

I acknowledge and understand that if I fail to comply with federal and state law regarding bona fide separation from service and break in service, my retirement shall be voided and I shall repay all retirement allowances, dependent child payments, and health plan premiums paid by the Kentucky Public Pensions Authority.

I certify the information in this Notification of Retirement is correct and that my employer has been informed of my intent to terminate employment on the date indicated on this form if applying for early/normal retirement. I understand the Kentucky Public Pensions Authority will send an estimated retirement allowance. **I acknowledge my estimated retirement allowance and benefits are subject to post retirement audit and adjustment after retirement. I acknowledge that I have full understanding that any person who provides a false statement, report, or representation is subject to penalty in accordance with KRS 523.100.**

Member's Signature: _____ Date: _____

Spouse's Signature: _____ Date: _____

Witness' Signature: _____ Date: _____

NOTE: Signature of Member is required. Signature of either the Spouse **or** a Witness is also required. Failure to sign form and have your signature witnessed by either your spouse or another person will result in the form being voided.



Section H - Employer Certification of Leave Balances and Final Salary

Section H must be completed by your current employer and returned to the Kentucky Public Pensions Authority in order to include future salary, service and sick and compensatory leave balances in your estimated retirement allowance. If you are currently employed by more than one participating employer, each employer should complete a copy of Section H of this form. If you do not have the employer complete Section H of this form, the Kentucky Public Pensions Authority will **exclude** all leave balances from the estimated retirement allowance. **Your estimated retirement allowance and benefits are subject to post retirement audit and adjustment after retirement.**

| | |
|---|----------------|
| Employer Name: | Employer Code: |
| Member Name: | Member ID: |
| Termination Date: | |
| Employer's Report of Leave Balances as of: | |
| Does your agency participate in a sick leave program administered by KPPA? <input type="radio"/> Yes <input type="radio"/> No | |
| If yes above, select the type of sick leave plan: <input type="radio"/> Standard <input type="radio"/> Alternate | |
| Does the above member work an average of 21 days per month? <input type="radio"/> Yes <input type="radio"/> No | |
| If no above, please provide an Alternate Average Working Days Per Month: _____ | |

Standard Sick Leave Program: If participating in the standard sick leave program, please provide the following information.
 Note: Contributions should not be withheld from standard sick leave lump sum payouts.

| | |
|------------------------------------|----------------------------|
| Accumulated Sick Leave (in hours): | Hours in a Sick Leave Day: |
|------------------------------------|----------------------------|

Alternate Sick Leave Program: If participating in the alternate sick leave program, please provide the following information.
 Note: Contributions should be withheld from alternate sick leave lump sum payouts.

| | |
|---|----------------------------|
| Accumulated Sick Leave (in days): | Hours in a Sick Leave Day: |
| Estimated Compensation to be Paid for Sick Leave: | |

School Board Certification (*school board employees only*): Indicate the number of actual days the member will have worked through the expected termination date. If the days occur in different school years, please list each school year separately below.

| Actual Days Worked through Expected Termination Date | |
|--|-----------------------|
| School Year | Number of Actual Days |
| | |
| | |

⚠ Section H is continued on the following page. You must complete the Employer Certification at the end of Section H.

Section I - Member's Statement of Disability
If additional space is required to answer the questions, you may use and attach additional paper.

| | |
|--------------|------------|
| Member Name: | Member ID: |
|--------------|------------|

1. List the diagnoses of the injury, illness, or disease for which you are applying for disability:

2. Describe how the diagnoses listed above on this page prevent you from performing your essential job duties:

3. Describe the history of the diagnoses listed above, including the onset or start of your symptoms or complaints:

4a. If you are a non-hazardous employee, are you claiming that you are totally and permanently disabled from performing any occupation for remuneration or profit as a result of a single traumatic event that occurred while you were performing the duties of your job or a single act of violence committed against you that was related to your job duties?


Yes No

Please note: A duty related injury does not include the effects of the natural aging process, a communicable disease unless the risk of contracting the disease is increased by the nature of the employment, or a psychological, psychiatric, or stress related change unless the direct result of a physical injury.

4b. If you are a hazardous employee, are you claiming that you are disabled due to an act in line of duty by either a single act occurring while performing the principal duties of your job or a single act of violence against you that was related to your job duties?

Yes No

If you answered yes to 4a or 4b, describe specific date, time, and circumstances of the duty related injury or act in line of duty below. Please attach a copy of the employer incident report to this form. Failure to attach the employer incident report will delay your disability application.

 **Section I is continued on the following page. You must complete the Certification at the end of Section I.**

Section I Continued - Member's Statement of Disability

| | |
|--------------|------------|
| Member Name: | Member ID: |
|--------------|------------|

Last Day of Paid Employment

Last Day of Paid Employment: The last day of paid employment is the last day for which contributions were reported and for which you were eligible to receive retirement credit. Identify the month, day, and year that is your last day of paid employment, or if you are still working or on paid leave, identify the month, day, and year that is your anticipated last day of paid employment.

Last Day of Paid Employment: _____
Month Day Year

You will be sent an estimate of disability retirement benefits, subject to post retirement audit and adjustment after retirement, based upon your last day of paid employment in a regular full-time position assuming your application for disability retirement benefits is approved. If approved for disability benefits, you will receive benefits effective the first day of the month following your last day of paid employment.

Certification and Authorization

I certify the information on this Statement of Disability, Section I, is true and correct. I acknowledge that any person who makes a false statement, report, or representation is subject to penalty pursuant to KRS 523.010 to 523.110.

I authorize the Authority, its agents, servants, and employees to have full and complete access to any and all medical records of mine, whether or not related to this injury, illness, or disease, and authorize the Authority, and its agents, servants, and employees to discuss such records as it may be necessary at any meeting of the Board in connection with my application for disability retirement benefits.

I authorize my employer to release, furnish, disclose, or discuss with the Kentucky Public Pensions Authority all records or other information regarding my employment, including but not limited to, a description of job duties performed as of the last day of my employment, a description of the accommodations, assistance, or help that was offered or attempted or reasonably available to allow me to perform my essential job duties, a report of work injuries or accidents, my personnel file, or other employee records.

Signature of Member: _____

Date: _____

Signature of Witness: _____

Date: _____



KENTUCKY PUBLIC PENSIONS AUTHORITY

1260 Louisville Road • Frankfort, KY 40601
 Phone: (502) 696-8800 • Fax: (502) 696-8822 • kyret.ky.gov



Print Form

Form 6800
 Revised 06/2023

Application for Duty Related/In Line of Duty Survivor Benefits

Deceased Member Information

| | | | |
|----------------------|---|------------|-----------|
| Member Name: | | Member ID: | |
| Birthdate: | Marital Status: | Married | Single |
| | | | Divorced |
| Date of Death: | Termination Date (if different than date of death): | | |
| Employer Information | | | |
| Agency Name: | | Telephone: | Fax: |
| Agency Address: | City: | State: | Zip Code: |

Incident Information

Please provide the requested information below and submit the following documents with this form:

(1) Member's death certificate (2) Incident investigation report (3) Police report (if applicable) (4) Employee's job description

| | |
|---|---|
| Date of Incident: | Time of Incident: |
| Location of Incident: | |
| Is there a police report documenting this incident? | Yes No If yes, please submit a copy with this form. |
| Description of Incident: | |
| | |
| | |
| | |

Certification

I hereby certify that the information completed on this form is true and accurate. I acknowledge that I have full understanding that any person who provides a false statement, report, or representation to a governmental entity such as KPPA 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 benefit, the employer I represent, and I (personally) may be liable for restitution of the death benefits the spouse, child, dependent, or beneficiary was not eligible to receive, civil payments, legal fees, and costs.

Printed Name of Member's Immediate Supervisor: _____

Signature of Member's Immediate Supervisor: _____ Date: _____

Approved by:

Printed Name of Agency Head: _____

Signature of Agency Head: _____ Date: _____



**Employer Self Service Employer Administrator
Account Creation Request**

This form must be fully completed. Failure to provide all information may cause a delay in processing and/or rejection of your request. If you have any questions regarding this form, please contact our office at (888) 696-8810.

Employer Information

| | |
|-----------|----------------|
| Employer: | Employer Code: |
|-----------|----------------|

Employer Administrator Information

Please provide the following information for the individual who will act as an Employer Administrator for Kentucky Public Pensions Authority's Employer Self Service (ESS) site. The Employer Administrator is the individual selected by each employer to administer the users of the ESS site for that particular employer. This person is responsible for setting up new users and maintaining those user accounts, including the assignment of security roles which control access to information from KPPA.

| | |
|-----------------|--------|
| Name: | Phone: |
| E-mail Address: | |

Certification

We acknowledge that this request will establish an Employer Administrator, and will allow the Employer Administrator to:

- Set up new users for the Employer Self Service site,
- Manage those users by assigning or changing security roles,
- Delete users,
- Reset PINs and reset passwords,
- Perform other duties as assigned by the employer, and
- Have unrestricted access to all employer information on the Employer Self Service site.

The designated Employer Administrator will not:

- Share his or her password,
- Allow another person to access his or her account, or
- Use another person's account.

We understand that the unauthorized or improper use of this system may subject us personally and/or our employer to one or more of the following: account cancellation, civil penalties, or criminal penalties.

Employer Administrator Signature: _____

Date: _____

Agency Head Signature: _____

Date: _____

Form 7072
04/2021

Reporting/Balancing Employer Acknowledgment Form

This form must be completed by the employer to acknowledge that they have designated a 3rd party entity to report employee information on their behalf. If you have any questions, please contact our office at (888) 696-8810.

Employer Information

| | |
|-----------|----------------|
| Employer: | Employer Code: |
|-----------|----------------|

Reporting and Balancing Employer Information

Please provide information for the 3rd party entity who will act as a Reporting and/or Balancing Employer for your agency for monthly reporting to Kentucky Public Pensions Authority's Employer Self Service (ESS). A Reporting Employer is an entity who submits the monthly contribution detail report for a participating employer. A Balancing Employer is an entity who submits the monthly summary and payment for a participating employer.

Please check one of the following: Reporting Employer Balancing Employer Reporting and Balancing Employer

Company Name:

Representative Name:

Address:

City:

State:

Zip Code:

Phone:

E-mail Address:

Certification

I acknowledge that the above-named entity is authorized to report on our behalf to Kentucky Public Pensions Authority and will be granted access to employee and employer information for our agency on the KPPA Employer Self Service (ESS) site. Furthermore, I understand that if this information should change that it will be necessary to contact KPPA for the appropriate changes to our account set up and ESS access.

I understand that the unauthorized or improper use of this system may subject me personally and/or our employer to one or more of the following: account cancellation, civil penalties or criminal penalties.

Agency Head Signature: _____

Date: _____



Verification of Payments Outside Regular Wages

| Employer Information | | | |
|-----------------------------|-------|----------------|-----------|
| Employer Name: | | Employer Code: | |
| Address: | City: | State: | Zip Code: |
| Reporting Official: | | | |

Please complete the following questions regarding the payment of wages outside regular earnings.

Does your agency pay employees any monies outside their regular salary, excluding overtime (i.e., Christmas bonus, incentive pays, profit sharing, etc.)? Yes No

If yes, please provide further information about these payments below.

What is the exact name of the payment? _____

Is this payment guaranteed in an employee's regular salary? _____

When are the payments awarded? _____

Are the payments built into personnel policy, or are they at the discretion of the employer? _____

Are these payments currently reported to Kentucky Public Pensions Authority? _____

If yes, what Payment Reason have you been designating for these funds? _____

Please attach any available documentation regarding these payments including any applicable personnel policies. Please contact your Employer Reporting, Compliance and Education representative with any questions at 1-888-696-8810.

Certification

I hereby certify that the information completed on this form is true and accurate. I acknowledge that I have full understanding that any person who provides a false statement, report, or representation to a governmental entity such as KPPA is subject to 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 benefit, the employer I represent, and I (personally) may be liable for restitution of the benefits for which the member was not eligible to receive, civil payments, legal fees, and costs.

Printed Name: _____

Title: _____

Signature: _____

Date: _____



Data Use and Reporting Agreement

Pursuant to 105 KAR 1:140 _____ (“Employer”) is required to submit reports and other information electronically to the Kentucky Public Pensions Authority (“KPPA”) using the secure KPPA Employer Self Service website (“Website”) or through the KPPA Secure Email Portal (“Portal”). Employer is also required to submit contributions and other payments. Reports, information, and payments must be submitted in accordance with this Agreement and Applicable Law.

Employer will be submitting certain Personal Information (PI) through the Website or Portal that should be transmitted securely in order to protect the privacy and security of the PI. Such PI must only be transmitted through the Website or Portal in accordance with this Agreement and Applicable Law.

Article I - Definitions

Employer agrees that the following terms when used in this document shall have the meaning stated below:

- a. **Agency Head** shall mean the chief executive, official, or administrative officer with whom the ultimate legal authority of the Employer is vested.
- b. **Applicable Law** shall mean applicable federal, state, and local statutes; court opinions and orders; regulations; local rules; and policy requirements.
- c. **Creditable Compensation** shall have the same meaning as the definition of creditable compensation in KRS 61.510 and 78.510.
- d. **Employer** shall mean the organization listed in the blank space provided at the top of this document.
- e. **Individual** shall mean a natural person.
- f. **KAR** shall mean the Kentucky Administrative Regulations.
- g. **KRS** shall mean the Kentucky Revised Statutes.
- h. **Personal Information (PI)** means an Individual’s first name or first initial and last name in combination with the Individual’s:
 1. social security number;
 2. driver’s license number;
 3. personal identification number permitting access to the Individual’s account; or
 4. medical information.
- i. **Portal** means the KPPA Secure Email Portal.
- j. **Reporting Official** shall mean the person designated by the participating employer who shall be responsible for forwarding all employer and employee contributions and a record of the contributions to the system and for performing other administrative duties pursuant to the provisions of KRS 16.505-16.652, 61.510-61.705, and/or 78.510-78.852.
- k. **Systems** shall mean the Kentucky Employees Retirement System, the State Police Retirement System, and the County Employees Retirement System.
- l. **Website** means the Kentucky Public Pensions Authority’s Employer Self Service Website.

Article II - General Terms

2.1. **Interpretation of Provisions.** In the event of an inconsistency between the provisions of this Agreement and state or federal law, the state or federal law shall prevail. In the event of inconsistency between the provision of this Agreement and the terms of 105 KAR 1:140, 105 KAR 1:140 shall prevail.

2.2. **Incorporation by Reference.** The provisions of 105 KAR 1:140 and the Employer Reporting Manual are incorporated herein by reference. By signing this Agreement, Employer acknowledges that the Reporting Official, Agency Head, and all other employees with any responsibility for reporting of retirement contributions and payments have read and understood 105 KAR 1:140 and the Employer Reporting Manual.

Article III - Obligations and Activities of Employer

Employer agrees to and acknowledges the following:

- 3.1. Employer Acknowledgment of Understanding. The Reporting Official, Agency Head, and all other employees with any responsibility for reporting of retirement contributions and payments have read and understood 105 KAR 1:140 and the Employer Reporting Manual.
- 3.2. Employer Obligation to Securely Transmit and Receive PI. Employer shall submit PI through the Website or Portal in order to protect the privacy and security of the PI, and shall handle all PI received from KPPA in accordance with this Agreement and Applicable Law. KPPA is not responsible for the failure of Employer's employees, representatives, agents, contractors, or subcontractors to comply with Applicable Law in accessing, transmitting, receiving, or maintaining PI, including PI received from KPPA.
- 3.3. Employer's Responsibility for Authorized Users. Employer shall be solely responsible for ensuring that only authorized users access the Website, the Portal, or PI either through the Employer or by use of any password, identifier or log-on received obtained, directly or indirectly, lawfully or unlawfully, from Employer or any of Employer's employees, representatives, agents, contractors, or subcontractors, and all such acts and omissions shall be deemed to be the acts and omissions of the Employer. KPPA shall not be responsible for the failure of Employer's employees, representatives, agents, contractors, or subcontractors to comply with this Agreement and Applicable Law in accessing, transmitting, receiving, or maintaining PI, including PI received from KPPA.

Each Employer shall certify:

- a. That its authorized users shall only access the Website and the Portal and use, disclose, and transmit PI for purposes that are consistent with this Agreement and Applicable Law;
 - b. That its authorized users have agreed to hold any passwords, or other means for accessing the Website and the Portal in a confidential manner and to release them to no other individual; and
 - c. That it has restricted access to the Website, the Portal, and PI and PHI only to the authorized users that Employer's Employer Administrator has identified pursuant to this Agreement and 105 KAR 1:140.
- 3.4. Agents, Contractors, and Subcontractors. Employer agrees to ensure that any agent, including a contractor or subcontractor, to whom it provides access to PI received from KPPA, agrees in writing to the same restrictions and conditions that apply through this Agreement to Employer with respect to such PI. Such written agreement shall also require the agent to implement reasonable and appropriate administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of PI received from KPPA in accordance with this Agreement and Applicable Law.
- 3.5. Training. Employer shall provide appropriate training to its employees, representatives, agents, contractors, or subcontractors in security, privacy, and confidentiality requirements and prohibitions relating to PI under this Agreement.
- 3.6. Timely Submission of Reports, Contributions, and Payments. Employer shall timely submit all reports, contributions, and payments required by KRS 16.505-16.652, 61.510-61.705, and/or 78.510-78.852 and 105 KAR 1:140.
- 3.7. Effect of Failure to Timely Submit Reports, Contributions, and Payments. If Employer refuses or fails to timely submit all reports, contributions, and payments required by KRS 16.505-16.652, 61.510-61.705, and/or 78.510-78.852 and 105 KAR 1:140. KPPA may use any legal remedy available to it to compel Employer to submit such reports, contributions, and payments and may apply interest and penalties to the untimely reports, contributions, and payments to the extent authorized by Applicable Law.
- 3.8. Availability of Records or Information. Employer shall make records or information available to KPPA in accordance with KRS 16.645, 61.505, 61.675, 61.685, 78.545, and 78.625, in a time and manner designated by KPPA, for purposes of determining Employer's compliance with this Agreement and Applicable Law.

3.9. Effect of Refusal to Provide Required Information. If Employer refuses to provide the KPPA access to records or information requested in accordance with KRS 16.645, 61.505, 61.675, 61.685, 78.545, and 78.625 or does not respond to a request for information or records by the KPPA made in accordance with in accordance with KRS 16.645, 61.505, 61.675, 61.685, 78.545, and 78.625, KPPA may use any legal remedy available to KPPA to enforce KRS 16.505-16.652, 61.510-61.705, and/or 78.510-78.852 and 105 KAR 1:140.

3.10. Notification of Claims. Employer shall notify KPPA within forty-eight (48) hours upon notification or receipt of any civil or criminal claims, demands, causes of action, lawsuits, or governmental enforcement actions arising out of or related to this Agreement or the PI received from KPPA, regardless of whether KPPA and/or Employer are named as parties in such claims, demands, causes of action, lawsuits, or enforcement actions.

3.11. Assistance in Litigation or Administrative Proceedings. Employer shall make its employees, representatives, agents, contractors, or subcontractors, available to KPPA to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against KPPA or its trustees, officers, or employees based upon a claimed violation of Applicable Law, except where Employer or its employee, representative, agent, contractor, or subcontractor is named as an adverse party.

Article IV - KPPA Obligations

4.1. Indemnification. To the extent allowed by law, Employer shall reimburse KPPA for any expenses, losses, damages, legal fees, attorney fees, or costs arising out of or related to any civil or criminal claims, demands, causes of action, lawsuits, or governmental enforcement actions, whether brought by a third party or asserted by Employer, arising out of or related to Employer's actual or alleged acts and omissions (or those of its employees, representatives, agents, contractors, or subcontractors) associated with Employer under this Agreement.

5.1. Notice to Employer. KPPA shall notify Employer of the web address of the Website and shall notify Employer if the web address changes.

5.2. Invoices. KPPA shall submit an invoice to Employer for any contributions, other payments, interest, or penalties owed to KPPA that were not submitted contemporaneously with the monthly detail and summary reports. KPPA may offset funds owed by the Employer to the systems with funds owed to Employer by the systems.

Employer Signature

I hereby certify that the information completed on this form is true and accurate. I acknowledge that I have full understanding that any person who provides a false statement, report, or representation to a governmental entity such as KPPA is subject to penalty of perjury in accordance with KRS 523.010, et seq.

Name of Employer: _____

Agency Head or Reporting Official Signature: _____

Print Name: _____

Title: _____

Date: _____

MEMORANDUM

TO: Ad Hoc Regulation Committee (“Committee”) for the Board of the Kentucky Public Pensions Authority (“Board”)

FROM: Carrie Bass, Staff Attorney Supervisor, Non-Advocacy Division, Office of Legal Services
Jessica Beaubien, Policy Specialist, Non-Advocacy Division, Office of Legal Services

DATE: May 24, 2024

RE: Committee approval and recommendation of KPPA staff to present an amended administrative regulation, 105 KAR 1:142, Limitations and Exclusions on Creditable Compensation in the Last Five Years of Service, to the full Board for approval to file with the Office of the Regulations Compiler at the Legislative Research Commission (“Regulations Compiler”)

Purpose of new administrative regulation:

Kentucky Revised Statutes 61.505(1)(g) authorizes the Board to promulgate and amend administrative regulations “on behalf of the Kentucky Retirement Systems and the County Employees Retirement System, individually or collectively” as long as the regulations are consistent with the provisions of Kentucky Revised Statutes 16.505 to 16.652, 61.510 to 61.705, 78.510 to 78.852, and 61.505. 105 KAR 1:142, Limitations and Exclusions on Creditable Compensation in the Last Five Years of Service, is consistent with these provisions of the Kentucky Revised Statutes.

105 KAR 1:142 is a new administrative regulation that establishes limitations and exclusions on increases in creditable compensation in the last five (5) years of service for retiring members with a membership date prior to January 1, 2014 in accordance with KRS 61.598 and 78.545. These limitations and exclusions are commonly referred to as “pension spiking.” Previously, this information was contained in 105 KAR 1:140, but is now being filed as its own administrative regulation for ease of access and revision, as well as to keep 105 KAR 1:140 to a manageable size.

Staff Recommendation:

The Office of Legal Services requests that the Committee review the attached materials and recommend presenting 105 KAR 1:142, Limitations and Exclusions on Creditable Compensation in the Last Five Years of Service, for filing approval to the full Board at the June 27, 2024 meeting.

List of attached materials:

1. 105 KAR 1:142, Limitations and Exclusions on Creditable Compensation in the Last Five Years of Service.
2. Form 6481, Employer Request for Post-Determination of Bona Fide Promotion or Career Advancement.
3. Form 6487, Request for Member Pension Spiking Exemption Amounts.
4. 105 KAR 1:001, Definitions for 105 KAR Chapter 1 (for reference), including a new definition for “bona fide promotion or career advancement.”

1 FINANCE AND ADMINISTRATION CABINET

2 Kentucky Public Pensions Authority

3 (New Administrative Regulation)

4 105 KAR 1:142 Limitations and exclusions on creditable compensation in the last five
5 fiscal years of service.

6 RELATES TO: KRS 16.645, 61.598, 61.645, 61.675, 78.545, 78.625, 78.782

7 STATUTORY AUTHORITY: KRS 61.505(1)(g), 61.598(6), 78.545

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.505(1)(g) authorizes the
9 Kentucky Public Pensions Authority to promulgate administrative regulations on behalf of
10 the Kentucky Retirement Systems and the County Employees Retirement System that
11 are consistent with KRS 16.505 to 16.652, 61.510 to 61.705, and 78.510 to 78.852. KRS
12 61.598(6) and 78.545 authorize the Kentucky Public Pensions Authority to promulgate an
13 administrative regulation to administer the limitations and exclusions on increases in
14 creditable compensation codified in KRS 61.598 and 78.545. This administrative
15 regulation establishes limitations and exclusions on increases in creditable compensation
16 in the last five (5) years of service for retiring members with a membership date prior to
17 January 1, 2014 in accordance with KRS 61.598 and 78.545.

18 Section 1. Definition. "Member" means a member of the systems with a
19 membership date prior to January 1, 2014.

20 Section 2. Determining percentage increases for creditable compensation.

1 (1) Except as provided in subsection (2) of this section, in accordance with KRS
2 61.598 and 78.545, the agency shall review each of the last five (5) fiscal years of the
3 member's employment to determine if his or her creditable compensation in any of the
4 last five (5) fiscal years increased by ten (10) percent or more compared to the
5 immediately preceding fiscal year.

6 (a) The fiscal year immediately preceding the member's last five (5) fiscal years
7 shall be used for comparison to determine if an increase in creditable compensation of
8 ten (10) percent or more occurred in the initial fiscal year of the member's last five (5)
9 fiscal years.

10 (b) For each of the member's last five (5) fiscal years of employment, the agency
11 shall multiply the member's creditable compensation for the previous fiscal year by 110
12 percent. If the member's creditable compensation in any of his or her last five (5) fiscal
13 years of employment is greater than the member's creditable compensation from the
14 immediately preceding fiscal year multiplied by 110 percent, the agency shall determine
15 that an annual increase in the member's creditable compensation greater than ten (10)
16 percent has occurred.

17 (c) For purposes of performing the calculations in this subsection:

18 1. Only fiscal years in which the member was employed in a regular full-time
19 position in at least one (1) full month of the fiscal year shall be considered; and

20 2. The member's creditable compensation shall be annualized by dividing the
21 member's creditable compensation for the fiscal year by the number of months of service
22 credit, and multiplying by twelve (12).

23 (2) For members with an effective retirement date on or after January 1, 2018:

1 (a) The agency shall not review creditable compensation earned by the member
2 prior to July 1, 2017; and

3 (b) For members with an effective retirement date on or after June 29, 2021, if a
4 reduction in the member's creditable compensation causes his or her monthly retirement
5 allowance to decrease by twenty-five (25) dollars or more, the member's monthly
6 retirement allowance shall only be reduced by the amount that exceeds \$24.99.

7 (3) The agency shall not consider the following changes in creditable
8 compensation to be increases in creditable compensation:

9 (a) The employee was on leave without pay for any reason in the fiscal year(s)
10 prior to the fiscal year that contained the increased creditable compensation for members
11 with an effective retirement date on or after January 1, 2014, but prior to July 1, 2017; or

12 (b) Modifications to the accounting method for reporting employees in accordance
13 with KRS 61.675, KRS 78.625, and 105 KAR 1:140.

14 Section 3. Final administrative determination for members with an effective
15 retirement date on or after January 1, 2014, but prior to July 1, 2017.

16 (1)(a) Based on the review as provided in Section 2 of this administrative
17 regulation, if the agency determines that the member's creditable compensation in any of
18 the last five (5) fiscal years increased by more than ten (10) percent compared to the
19 immediately preceding fiscal year, the agency shall provide written notice to the member's
20 last participating employer of the agency's determination.

21 (b) If the member was employed by more than one (1) employer when the member
22 retired, the agency shall provide written notice to each of the member's last participating
23 employers.

1 (c) The written notice shall include:

2 1. A statement that the member's creditable compensation in one (1) or more of
3 the last five (5) fiscal years increased by more than ten (10) percent compared to the prior
4 fiscal year;

5 2. The fiscal year or fiscal years in which the creditable compensation increased
6 by more than ten (10) percent compared to the immediately preceding fiscal year;

7 3. Details of each increase in creditable compensation; and

8 4. The amount of the additional actuarial cost to the systems attributable to the
9 increase or increases in creditable compensation.

10 (2)(a) If the employer believes that one (1) or more annual increases in creditable
11 compensation greater than ten (10) percent in the member's last five (5) fiscal years of
12 employment were due to a bona fide promotion or career advancement, by the end of
13 day thirty (30) calendar days from the date the notice indicated in subsection (1) of this
14 section was provided, the employer shall:

15 1. Complete and submit a valid Form 6481, Employer Request for Post-
16 Determination of Bona Fide Promotion or Career Advancement;

17 2. Submit predetermination documentation if the agency previously provided a
18 determination that a change in position or hiring of the member would be a bona fide
19 promotion or career advancement, and provide documentation that the increase in
20 creditable compensation for that fiscal year was due to the employer implementing the
21 proposed change in position or hiring;

22 3. Provide a copy of the personnel form with the date of the promotion or
23 advancement, an explanation, and documentation supporting the assertion that the

1 increase in creditable compensation resulted from a bona fide promotion or career
2 advancement, if the employer believes that any salary increase is directly attributable to
3 a bona fide promotion or career advancement;

4 4. Effective July 1, 2024, submit a copy of the personnel form with the date of
5 increased rate of pay, an explanation, and documentation supporting the assertion that
6 the increase in rate of pay was authorized or funded by the legislative or administrative
7 body of the employer or mandated in a collective bargaining agreement approved by the
8 legislative body of the employer, if the bona fide promotion or career advancement
9 resulted from an increase in creditable compensation for all employees in a specified
10 class due to an increase in rate of pay authorized or funded by the legislative or
11 administrative body of the employer or due to an increase in rate of pay mandated in a
12 collective bargaining agreement approved by the legislative body of the employer.

13 (b) The employer shall report any increases in creditable compensation directly
14 attributable to a lump-sum payment for compensatory time during the employer's normal
15 monthly reporting in accordance with 105 KAR 1:140.

16 (3)(a) The agency shall consider the following in determining if a change in position
17 or hiring was a bona fide promotion or career advancement:

18 1. A valid Form 6481, Employer Request for Post-Determination of Bona Fide
19 Promotion or Career Advancement, submitted in accordance with subsection (2)(a) of this
20 section; and

21 2. Supporting documentation submitted by the employer in accordance with
22 subsection (2)(a) of this section.

1 (b)1. The agency may require the employer to provide additional information or
2 require the employer to make certifications regarding the information and documentation
3 submitted.

4 2. In accordance with KRS 16.645, 61.675, 78.545, and 78.625, the employer shall
5 provide any additional information and certifications requested by the agency under this
6 paragraph by the end of day thirty (30) days from the date the request for additional
7 information was provided.

8 (4) The employer shall pay the additional actuarial cost to the systems attributable
9 to any annual increases in creditable compensation greater than ten (10) percent over
10 the member's last five (5) fiscal years of employment if the employer fails to comply with:

11 (a) Subsection (2) of this section; or

12 (b) Subsection (3)(b) of this section if additional information is requested in
13 accordance with that subsection.

14 (5)(a) If the employer timely submits a valid Form 6481, Employer Request for
15 Post-Determination of Bona Fide Promotion or Career Advancement, in accordance with
16 subsection (3)(a) of this section, the agency shall issue a final administrative decision in
17 writing informing the employer whether the annual increases in creditable compensation
18 greater than ten (10) percent over the member's last five (5) fiscal years of employment
19 were due to a bona fide promotion or career advancement.

20 (b) If the employer disagrees with the final administrative decision by the agency,
21 the employer may appeal the decision in accordance with Section 6 of this administrative
22 regulation.

1 (c) If the employer does not file a written request for administrative hearing timely
2 as provided in Section 6 of this administrative regulation, the employer shall pay the
3 additional actuarial cost to the systems attributable to annual increases in creditable
4 compensation greater than ten (10) percent over the member's last five (5) fiscal years of
5 employment.

6 (5)(a) If an employer is required to pay the additional actuarial cost to the systems
7 attributable to annual increases in creditable compensation greater than ten (10) percent
8 over the member's last five (5) fiscal years of employment, the agency shall issue an
9 invoice to the last employer representing the actuarial cost.

10 (b) If the member was employed by more than one (1) employer when the member
11 retired, the actuarial cost to the systems attributable to annual increases in creditable
12 compensation greater than ten (10) percent over the member's last five (5) fiscal years of
13 employment shall be divided equally among the member's last employers. Each of the
14 member's last employers shall receive an invoice as provided in this subsection.

15 (c) An employer that receives an invoice may request that the agency allow the
16 employer to pay the cost over a period, not to exceed one (1) year, without interest and
17 the agency shall establish a payment plan for the employer.

18 (d) An employer that is required to pay the additional actuarial cost shall be treated
19 as a participating employer in the system to which the employer is required to pay the
20 additional actuarial cost solely for purposes of making the payment required pursuant to
21 KRS 61.598 and 78.545.

22 Section 4. Exemption determination process for members with an effective
23 retirement date on or after January 1, 2018.

1 (1) This section shall only apply to members with an effective retirement date on
2 or after January 1, 2018.

3 (2) Exemptions shall include:

4 (a) Exemptions provided in KRS 61.598(4) and 78.545;

5 (b) A bona fide promotion or career advancement as defined in 105 KAR 1:001; or

6 (c) Overtime worked from May 28, 2020, through May 11, 2021, due to local
7 government emergencies issued on or after May 28, 2020, but prior to October 5, 2020,
8 regardless of whether or not the National Guard was mobilized for the entire period.

9 (3) If the agency review as provided in Section 2 of this administrative regulation
10 determines that the member's creditable compensation in any of the last five (5) fiscal
11 years increased by more than ten (10) percent compared to the immediately preceding
12 fiscal year, the agency shall provide the member's employer the Form 6487, Request for
13 Member Pension Spiking Exemption Amounts. If the reductions in the member's
14 creditable compensation would result in reduction to the member's monthly retirement
15 allowance of less than twenty-five (25) dollars per month or the actuarial equivalent, a
16 Form 6487 shall not be provided.

17 (4) The employer shall complete and submit the valid Form 6487, Request for
18 Member Pension Spiking Exemption Amounts, and provide supporting documentation as
19 required by KRS 16.645, 61.675, and 78.625 by the end of day thirty (30) calendar days
20 from the date the Form 6487 was provided.

21 (a) In order to indicate that none of the annual increases in creditable
22 compensation greater than ten (10) percent over the member's last five (5) fiscal years of

1 employment were due to an exemption as provided in subsection (2) of this section, the
2 employer shall select that none of the listed exemptions are applicable on the Form 6487.

3 (b)1. In order to indicate that one or more of the annual increases in creditable
4 compensation greater than ten (10) percent over the member's last five (5) fiscal years of
5 employment were due to an exemption as provided in subsection (2) of this section, the
6 employer shall select which of the listed exemption are applicable on the Form 6487.
7 Except as provided in subsection (5)(a) of this section, the employer shall list the portion
8 of the salary directly attributable to each exemption in the corresponding section of the
9 Form 6487.

10 2.a. In order to verify that one or more salary increase is directly attributable to a
11 bona fide promotion or career advancement, the employer shall provide a copy of the
12 personnel form with the date of the promotion or advancement, an explanation, and
13 documentation supporting the assertion that the increase in creditable compensation
14 resulted from a bona fide promotion or career advancement.

15 b. Effective July 1, 2024, in order to verify that one or more bona fide promotion or
16 career advancement resulted from an increase in creditable compensation for all
17 employees in a specified class due to an increase in rate of pay authorized or funded by
18 the legislative or administrative body of the employer or due to an increase in rate of pay
19 mandated in a collective bargaining agreement approved by the legislative body of the
20 employer, the employer shall submit a copy of the personnel form with the date of
21 increased rate of pay, an explanation, and documentation supporting the assertion that
22 the increase in rate of pay was authorized or funded by the legislative or administrative

1 body of the employer or mandated in a collective bargaining agreement approved by the
2 legislative body of the employer.

3 c. In order to verify that one or more salary increase is directly attributable to overtime
4 hours worked under a state or federal grant as prescribed in KRS 61.598(4)(e)1., a copy
5 of the grant shall be submitted with the specific language in the grant requiring overtime
6 highlighted or otherwise emphasized.

7 d. Except as provided in subsection (2)(c) of this section, in order to verify that one or
8 more salary increase is directly attributable to a local state of emergency where the
9 Kentucky National Guard was mobilized as prescribed in KRS 61.598(4)(f)2., the
10 applicable Executive Order number that mobilized the National Guard shall be provided.

11 (5)(a) The employer shall report any increases in creditable compensation directly
12 attributable to a lump-sum payment for compensatory time, a lump-sum payment made
13 pursuant to alternate sick leave, or leave without pay during the employer's normal
14 monthly reporting in accordance with 105 KAR 1:140.

15 (b) If, upon review by the employer of the Form 6487, Request for Member Pension
16 Spiking Exemption Amounts, adjustments to the reported salaries are required, then the
17 employer shall make those adjustments during the next monthly reporting cycle pursuant
18 to KRS 16.645, 61.675, and 78.625.

19 (6)(a) The agency may require the employer to provide additional information or
20 require the employer to make certifications regarding the information and documentation
21 submitted.

22 (b) In accordance with KRS 16.645, 61.675, and 78.625, the employer shall
23 provide any additional information and certifications requested by the agency under this

1 subsection by the end of day thirty (30) days from the date the request for additional
2 information was provided.

3 (7)(a) Following review of the completed Form 6487, Request for Member Pension
4 Spiking Exemption Amounts, and any additional information and certifications, the agency
5 shall make a final administrative decision in accordance with Section 5 of this
6 administrative regulation.

7 (b) The agency shall issue a final administrative decision in accordance with
8 Section 5 of this administrative regulation if:

9 1. A valid Form 6487 is not submitted timely in accordance with subsection (4) of
10 this section; or

11 2. Additional information is requested in accordance with that subsection (6) of this
12 section is not submitted timely.

13 Section 5. Final administrative decisions for members with an effective retirement
14 date on or after January 1, 2018.

15 (1) This section shall only apply to members with an effective retirement date on
16 or after January 1, 2018.

17 (2)(a) If the agency determines an increase in creditable compensation of more
18 than ten (10) percent over the immediately preceding fiscal year as provided in Section 2
19 of this administrative regulation is not directly attributable to any of the listed exemptions
20 in Section 4(2) of this administrative regulation, and no reporting information needs to be
21 corrected, then the increase in creditable compensation above ten (10) percent shall not
22 be used to calculate the member's retirement allowance, unless the reductions in the
23 member's creditable compensation would result in reduction to the member's monthly

1 retirement allowance of less than twenty-five (25) dollars per month or the actuarial
2 equivalent.

3 (b) The agency shall notify the member of the final administrative decision which
4 shall provide the member's benefit adjustment details. If the member disagrees with the
5 final administrative decision by the agency, he or she may appeal the decision in
6 accordance with Section 6 of this administrative regulation.

7 (2) Pursuant to KRS 61.598(2)(c)2. and 78.545, the agency shall not issue a refund
8 to the employer for the excess employer contributions. The agency shall utilize any
9 employer contributions directly attributable to the reduction in creditable compensation to
10 pay the unfunded liability of the pension fund in which the retiring member participated.

11 (3)(a) Pursuant to KRS 61.598(2)(c)1. and 78.545, the member shall receive a
12 refund of all pre-tax and post-tax member contributions and interest directly attributable
13 to the reduction in creditable compensation.

14 1. Pre-tax member contributions shall be refunded to the member by the employer
15 that picked-up the contributions.

16 2. Post-tax member contributions shall be refunded to the member directly by the
17 agency.

18 3. Interest earned on pre-tax and post-tax member contributions shall be refunded
19 to the member directly by the agency.

20 (b)1. If a member files an appeal in accordance with Section 6 of this administrative
21 regulation, the refunds indicated in this subsection shall be placed on hold during the
22 pendency of the appeal.

23 2. No additional interest shall accrue during the pendency of the appeal.

1 Section 6. Appeal.

2 (1)(a) For members with an effective retirement date on or after January 1, 2014,
3 but prior to July 1, 2017, pursuant to KRS 61.645(16) and 78.782(16), if the employer
4 disagrees with the final administrative decision in accordance with Section 3 of this
5 administrative regulation, the employer shall file a written request for an administrative
6 hearing pursuant to KRS Chapter 13B by the end of day thirty (30) calendar days from
7 the date of the final administrative decision.

8 (b) In accordance with KRS 61.598(7) and 78.545, the employer's right to appeal
9 is limited to the issue of whether the agency correctly determined that the annual
10 increases in the member's creditable compensation greater than ten (10) percent were
11 not due to a bona fide promotion or career advancement.

12 (c) Pursuant to KRS Chapter 13B.090(7), the employer has the burden to show its
13 entitlement to the benefit of not paying the additional actuarial costs related to the
14 employer's appeal in accordance with this subsection, and the ultimate burden of
15 persuasion on that issue.

16 (2)(a) For members with an effective retirement date on or after January 1, 2018,
17 pursuant to KRS 61.645(16) and 78.782(16), if the member disagrees with the final
18 administrative decision by the agency in accordance with Section 5 of this administrative
19 regulation, the member shall file a written request for an administrative hearing to be
20 held in accordance with KRS Chapter 13B by the end of day thirty (30) calendar days
21 from the date of the final administrative decision.

22 (b) The member's right to appeal is limited to the issue of whether the agency
23 correctly determined that the annual increases in the member's creditable compensation

1 were not due to one of the exemptions found in KRS 61.598(4) and 78.545, and 105
2 KAR 1:001(14).

3 (c) Pursuant to KRS Chapter 13B.090(7), the agency has the burden to show the
4 propriety of the agency action to remove or reduce benefits related to the member appeals
5 in accordance with this subsection, and the ultimate burden of persuasion as to that issue.

6 Section 7. Incorporation by Reference.

7 (1) The following material is incorporated by reference:

8 (a) Form 6481, "Employer Request for Post-Determination of Bona Fide Promotion
9 or Career Advancement", June 2024; and

10 (b) Form 6487, "Request for Member Pension Spiking Exemption Amounts", June
11 2024.

12 (2) This material may be inspected, copied, or obtained, subject to applicable
13 copyright law, at the Kentucky Public Pensions Authority, 1260 Louisville Road, Frankfort,
14 Kentucky 40601, Monday through Friday, from 8 a.m. to 4:30 p.m., or on the agency's
15 Web site at kyret.ky.gov.

APPROVED:

DAVID L. EAGER,
EXECUTIVE DIRECTOR
KENTUCKY PUBLIC PENSION AUTHORITY

DATE

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing to allow for public comment on this administrative regulation shall be held on Wednesday, September 25, 2024, at 10:00 a.m. at the Kentucky Public Pension Authority (KPPA), 1270 Louisville Road, Frankfort, Kentucky 40601. Individuals interested in presenting a public comment at this hearing shall notify this agency in writing no later than five workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be cancelled. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until September 30, 2024. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

KPPA shall file a response with the Regulations Compiler to any public comments received, whether at the public comment hearing or in writing, via a Statement of Consideration no later than the 15th day of the month following the end of the public comment period, or upon filing a written request for extension, no later than the 15th day of the second month following the end of the public comment period.

CONTACT PERSON: Jessica Beaubien, Policy Specialist, Kentucky Public Pension Authority, 1260 Louisville Road, Frankfort, KY 40601, email Legal.Non-Advocacy@kyret.ky.gov, telephone (502) 696-8800 ext. 8570, facsimile (502) 696-8615.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation number: 105 KAR 1:142
Contact person: Jessica Beaubien
Phone number: 502-696-8800 ext. 8570
Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes limitations and exclusions on increases in creditable compensation in the last five (5) years of service for retiring members with a membership date prior to January 1, 2014.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to allow the Kentucky Public Pensions Authority to effectively carry out KRS 61.598 and 78.545.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 61.505(1)(g) authorizes the Kentucky Public Pensions Authority to promulgate administrative regulations on behalf of the Kentucky Retirement Systems and the County Employees Retirement System that are consistent with KRS 16.505 to 16.652, 61.510 to 61.705, and 78.510 to 78.852. KRS 61.598(6) and 78.545 authorize the Kentucky Public Pensions Authority to promulgate an administrative regulation to administer the limitations and exclusions on increases in creditable compensation codified in KRS 61.598 and 78.545.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation assists with the effective administration of the statutes by detailing how the Kentucky Public Pensions Authority will carry out the limitations and exclusions on increases in creditable compensation in the last five (5) years of service for retiring members with a membership date prior to January 1, 2014.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This is a new regulation.

(b) The necessity of the amendment to this administrative regulation: This is a new regulation.

(c) How the amendment conforms to the content of the authorizing statutes: This is a new regulation.

(d) How the amendment will assist in the effective administration of the statutes: This is a new regulation.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation may affect over 166,000 members of the systems for which the Kentucky Public Pensions Authority provides operations who have a membership date prior to January 1, 2014. Additionally, this administrative regulation may affect over 1,450

employers that participate in the State Police Retirement System, the Kentucky Employees Retirement System, and the County Employees Retirement System. Finally, this administrative regulation will affect the Kentucky Public Pensions Authority and the three (3) systems for which it provides operations, the State Police Retirement System, the Kentucky Employees Retirement System, and the County Employees Retirement System.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: Regulated entities will be minimally impacted by these changes as most parts of this administrative regulation are already being administered as written. The minimal impact may include affected members and participating employers needing to provide additional information to the Kentucky Public Pensions Authority in order for the Kentucky Public Pensions Authority to determine whether any statutory exemptions apply to the limitations and exclusions on increases in creditable compensation in a member's last five years of service.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): The cost of compliance with this administrative regulation for the Kentucky Public Pensions Authority, the County Employees Retirement System and the Board of Trustees for the County Employees Retirement System should be negligible, as this administrative regulation is largely already being administered as written.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The benefits should be negligible, as this administrative regulation is largely already being administered as written.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: The costs associated with the implementation of this amendment should be negligible.

(b) On a continuing basis: The continuing costs associated with this amendment should be negligible.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Administrative expenses of the Kentucky Public Pensions Authority are paid from the Retirement Allowance Account (trust and agency funds).

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: There is no increase in fees or funding required.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish any fees or directly or indirectly increase any fees.

(9) TIERING: Is tiering applied? (Explain why or why not) Tiering is not applied. All entities are subject to the same processes and procedures.

FISCAL IMPACT STATEMENT

Regulation number: 105 KAR 1:142
Contact person: Jessica Beaubien
Phone number: 502-696-8800 ext. 8570
Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 61.505(1)(g), 61.598(6), and 78.545.

(2) Identify the promulgating agency and any other affected state units, parts, or divisions: The promulgating agency for this administrative regulation is the Kentucky Public Pensions Authority (KPPA). This administrative regulation will affect the KPPA and the systems for which the KPPA provides operations (the County Employees Retirement System, the State Police Retirement System and the Kentucky Employees Retirement System), and 333 state government employers that participate in the Kentucky Employees Retirement System and the State Police Retirement System.

(a) Estimate the following for the first year:

Expenditures: None.

Revenues: None.

Cost Savings: None.

(b) How will expenditures, revenues, or cost savings differ in subsequent years? There should be no expenditures, revenue, or cost saving for this administrative regulation in subsequent years because this administrative regulation is largely being administered as written.

(3) Identify affected local entities (for example: cities, counties, fire departments, school districts): The County Employees Retirement System and 1,120 county and local employers that participate in the County Employees Retirement System.

(a) Estimate the following for the first year:

Expenditures: None.

Revenues: None.

Cost Savings: None.

(b) How will expenditures, revenues, or cost savings differ in subsequent years? There should be no expenditures, revenue, or cost saving for this administrative regulation in subsequent years because this administrative regulation is largely being administered as written.

(4) Identify additional regulated entities not listed in questions (2) or (3): None.

(a) Estimate the following for the first year:

Expenditures: N/A

Revenues: N/A

Cost Savings: N/A.

(b) How will expenditures, revenues, or cost savings differ in subsequent years? There are no additional regulated entities not listed in questions (2) or (3).

(5) Provide a narrative to explain the:

(a) Fiscal impact of this administrative regulation: The fiscal impact of this administrative regulation should be negligible because this administrative regulation is already being administered as written.

(b) Methodology and resources used to determine the fiscal impact: This administrative regulation is largely being administered as written.

(6) Explain:

(a) Whether this administrative regulation will have an overall negative or adverse major economic impact to the entities identified in questions (2) - (4). (\$500,000 or more, in aggregate) This administrative regulation will not have a "major economic impact" because this administrative regulation is already being administered as written.

(b) The methodology and resources used to reach this conclusion: This administrative regulation is largely being administered as written.

SUMMARY OF FORMS INCORPORATED BY REFERENCE

Form 6481, "Employer Request for Post-Determination of Bona Fide Promotion or Career Advancement", is completed by the employer to indicate that one (1) or more annual increases in creditable compensation greater than ten (10) percent in the member's last five (5) fiscal years of employment were due to a bona fide promotion or career advancement.

Form 6487, "Request for Member Pension Spiking Exemption Amounts", is sent by the agency to the employer to complete when an increase in creditable compensation greater than the 10% increase limitation allowed per KRS 61.598 and 78.545 has been identified in a retiring employee's last five fiscal year wages.

1 FINANCE AND ADMINISTRATION CABINET

2 Kentucky Public Pensions Authority

3 (Amendment)

4 105 KAR 1:001. Definitions for 105 KAR Chapter 1.

5 RELATES TO: KRS 16.505-16.652, 61.510-61.705, 78.510-78.852

6 STATUTORY AUTHORITY: KRS 61.505(1)(g)

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.505(1)(g) authorizes the
8 Kentucky Public Pension Authority on behalf of the Kentucky Retirement Systems and the
9 County Employees Retirement System to promulgate administrative regulations that are
10 consistent with the provisions of KRS 16.505 to 16.652, 61.505, 61.510 to 61.705, and 78.510
11 to 78.852. This administrative regulation establishes definitions for 105 KAR Chapter 1.

12 Section 1. Definitions. The following definitions shall apply to 105 KAR Chapter 1 unless
13 otherwise required by context or otherwise defined in a specific administrative regulation:

14 (1) "AAC" means:

15 (a) Prior to April 1, 2021, the Administrative Appeals Committee of the Board of Trustees
16 of the Kentucky Retirement Systems.

17 (b) Beginning April 1, 2021, the separate or joint Administrative Appeals Committees of
18 the Board of Trustees of the Kentucky Retirement Systems and the Board of Trustees of the
19 County Employees Retirement System in accordance with KRS 61.645(16) and 78.782(16).

20 (2) "Accumulated account balance" is defined by KRS 16.505(40), 61.510(41), and
21 78.510(38).

22 (3) "Accumulated contributions" is defined by KRS 16.505(7), 61.510(12), and 78.510(12).

1 (4) "Accumulated employer credit" is defined by KRS 16.505(39), 61.510(40), and
2 78.510(37).

3 (5) "Act in line of duty" or "in line of duty" is defined by KRS 16.505(19) and 78.510(48).

4 (6) "Active member" means a member who is participating in the systems.

5 (7) "Actuarial equivalent" is defined by KRS 16.505(13), 61.510(17), and 78.510(17).

6 (8) "Agency" means:

7 (a) Prior to April 1, 2021, the Kentucky Retirement Systems, which administered the State
8 Police Retirement System, the Kentucky Employees Retirement System, and the County
9 Employees Retirement System; and

10 (b) Beginning April 1, 2021, the Kentucky Public Pensions Authority, which is authorized
11 to carry out the day-to-day administrative needs of the Kentucky Retirement Systems
12 (comprised of the State Police Retirement System and the Kentucky Employees Retirement
13 System) and the County Employees Retirement System.

14 (9) "Agency reporting official" is defined by KRS 78.510(20).

15 (10) "Alternate payee" is defined by KRS 16.505(38), 61.510(39), and 78.510(36).

16 (11) "Authorized leave of absence" is defined by KRS 16.505(14).

17 (12) "Beneficiary" is defined by KRS 16.505(25), 61.510(26), and 78.510(25).

18 (13) "Boards" means the Board of Trustees of the Kentucky Retirement Systems and the
19 Board of Trustees of the County Employees Retirement System.

20 (14) "Bona fide promotion or career advancement" means:

21 (a) is defined by The definition provided by KRS 61.598(1) and 78.545(22); and

22 (b) Any increases in creditable compensation for all employees in a specified class due to
23 an increase in rate of pay authorized or funded by the legislative or administrative body of the

1 employer or due to an increase in rate of pay mandated in a collective bargaining agreement
2 approved by the legislative body of the employer.

3 (15) "Career threshold" is defined by KRS 61.702(4)(e).9.a. and 78.5536(4)(e)9.a.

4 (16) "County" is defined by KRS 78.510(3).

5 (17) "Creditable compensation" is defined by KRS 16.505(8), 61.510(13), and 78.510(13).

6 (18) "Current rate of pay" is defined by KRS 16.505(24), 61.510(25), and 78.510(24).

7 (19) "Current service" is defined by KRS 16.505(4), 61.510(10), and 78.510(10).

8 (20) "DAC" means:

9 (a) Prior to April 1, 2021, the Disability Appeals Committee of the Board of Trustees of the
10 Kentucky Retirement Systems.

11 (b) Beginning April 1, 2021, the separate or joint Disability Appeals Committees of the
12 Board of Trustees of the Kentucky Retirement Systems and the Board of Trustees of the
13 County Employees Retirement System in accordance with KRS 61.665(4) and 78.545(11).

14 (21) "Department" is defined by KRS 61.510(3).

15 (22) "Dependent child" is defined by KRS 16.505(17) and 78.510(49).

16 (23) "Disability retirement date" is defined by KRS 16.505(16), 61.590(5)(b), and
17 78.510(51).

18 (24) "Duty-related injury" is defined by KRS 61.621(2) and 78.545(20).

19 (25) "Early retirement date" is defined by KRS 16.505(20), 61.590(5)(c), and 78.545(4).

20 (26) "Employee" is defined by KRS 61.510(5) and 78.510(6).

21 (27) "Employer" is defined by KRS 16.505(3), 61.510(6), and 78.510(7).

22 (28) "Employer's effective cessation date" is defined by KRS 61.522(1)(c) and
23 78.535(1)(c).

24 (29) "End of day" means:

1 (a) 11:59 p.m. Eastern Time, on the date referenced; and

2 (b) If the date referenced falls on a Saturday, Sunday, a public holiday listed in KRS
3 2.110, a day on which the retirement office is actually and legally closed, or any other state or
4 federal holiday that disrupts mail service, then the time period shall be met if the application,
5 documentation, form, notice, or other requested or required information is filed or submitted no
6 later than 11:59 p.m. Eastern Time on the next business day following the weekend, holiday,
7 or date of closure.

8 (30) "Examiner" means the medical examiners as provided in KRS 61.665 and
9 78.545(11).

10 (31) "File" means a form or document has been received at the retirement office by mail,
11 fax, secure email, in-person delivery, or via Self Service on the Web site maintained by the
12 agency (if available).

13 (32) "Final compensation" is defined by KRS 16.505(9), 61.510(14), and 78.510(14).

14 (33) "Final rate of pay" is defined by KRS 16.505(10), 61.510(15), and 78.510(15).

15 (34) "Fiscal year" is defined by KRS 16.505(32), 61.510(19), and 78.510(19).

16 (35) "Full-time student" means a person:

17 (a) Enrolled in a postsecondary program of study that meets the full-time student
18 requirements of the institution in which he or she is enrolled;

19 (b) Enrolled in a continuing education or training program that meets the full-time
20 requirements of the program or institution in which he or she is enrolled; or

21 (c) Enrolled in high school or a GED program that meets the full-time student requirements
22 of the program or institution in which he or she is enrolled.

1 ~~(36)~~^[35] "Gainful employment" means work in any capacity that is, or may be, performed
2 with regularity and is, or may be, usually done for pay, whether or not pay is received,
3 including seasonal, volunteer, part-time, and on-call work.

4 ~~(37)~~^[36] "Grandfathered service" is defined by KRS 61.552(9)(b) and 78.545(7).

5 ~~(38)~~^[37] "Hazardous disability" is defined by KRS 16.505(23) and 78.510(47).

6 ~~(39)~~^[38] "Hazardous position" means a regular full-time officer as defined by 16.505(22),
7 or a "hazardous position" as defined by 61.592(1)(a), 78.510(42), and 78.5520(1).

8 ~~(40)~~ "Hazardous service" means the number of years and months of employment as an
9 employee in a hazardous position.

10 ~~(41)~~^[39] "Hospital and medical insurance plan" is defined by KRS 61.702(1)(a) and
11 78.5536(1)(a).

12 ~~(42)~~^[40] "In line of duty" or "act in line of duty" is defined by KRS 16.505(19) and
13 78.510(48).

14 ~~(43)~~^[41] "Inactive member" means a member who is not participating in the system.

15 ~~(44)~~^[42] "Increment" is defined by KRS 61.510(29) and 78.510(44).

16 ~~(45)~~^[43] "Instructional staff" is defined by KRS 61.510(48).

17 ~~(46)~~^[44] "Invalid," if used in reference to a form, means that the form does not meet the
18 requirements to be valid, and shall not be processed by the agency.

19 ~~(47)~~^[45] "Last day of paid employment" is defined by KRS 16.505(30), 61.510(32), and
20 78.510(45).

21 ~~(48)~~^[46] "Level percentage of payroll amortization method" is defined by KRS 61.510(28)
22 and 78.510(43).

23 ~~(49)~~^[47] "Medical information" as used in KRS 61.610, 61.615, 61.665, 78.5526 and
24 78.5528:

1 (a) Means reports of examinations or treatments; medical signs that are anatomical,
2 physiological, or psychological abnormalities that can be observed; psychiatric signs that are
3 medically demonstrable phenomena indicating specific abnormalities of behavior, affect,
4 thought, memory, orientation, or contact with reality; or laboratory findings that are anatomical,
5 physiological, or psychological phenomena that can be shown by medically acceptable
6 laboratory diagnostic techniques, including chemical tests, electrocardiograms,
7 electroencephalograms, X-rays, and psychological tests; and

8 (b) Does not mean written statements from medical providers alone unless accompanied
9 by supporting contemporaneous records as established in paragraph (a) of this subsection.

10 ~~(50)~~[48] "Member" is defined by KRS 16.505(21), 61.510(8), and 78.510(8).

11 ~~(51)~~[49] "Membership date" is defined by KRS 16.505(35), 61.510(36), and 78.510(33).

12 ~~(52)~~[50] "Month" is defined by KRS 16.505(34), 61.510(35), and 78.510(32).

13 ~~(53)~~[54] "Monthly average pay" is defined by KRS 16.505(41), 61.510(45), and
14 78.510(52).

15 ~~(54)~~[52] "Monthly contribution rate" means the maximum contribution the systems will pay
16 toward the premium of a retired member based on:

17 (a) The amount determined by the boards as provided in KRS 61.702(1)(b), 61.702(4)(b)-
18 (d), 78.5536(1)(b), and 78.5536(4)(b)-(d) for a retired member who began participating in the
19 systems on or before June 30, 2003; or

20 (b) The amount per month earned by the retired member based on years of service as
21 provided in KRS 61.702(4)(e) and 78.5536(4)(e) for a retired member who began participating
22 in the systems on or after July 1, 2003.~~[is defined by KRS 61.702(1)(b) and 78.5536(1)(b)].~~

23 ~~(55)~~[53] "Nominal fee" is defined by KRS 61.510(43) and 78.510(40).

24 ~~(56)~~[54] "Non-core services independent contractor" is defined by KRS 61.5991(9).

1 ~~(57)~~~~[55]~~ "Nonhazardous position" is defined by KRS 61.510(44) and 78.510(41).

2 ~~(58)~~ "Nonparticipating position" means any position of employment with a participating
3 employer other than a regular full-time position or a regular full-time officer position.

4 ~~(59)~~~~[56]~~ "Normal retirement age" means the age at which the member meets the
5 requirements for his or her normal retirement date.

6 ~~(60)~~~~[57]~~ "Normal retirement date" is defined by KRS 16.505(15), 61.510(18), 61.590(5)(a),
7 and 78.510(18).

8 ~~(61)~~~~[58]~~ "Objective medical evidence" is defined by KRS 16.505(31), 61.510(33), and
9 78.510(46).

10 ~~(62)~~~~[59]~~ "Officers and employees of the General Assembly" is defined by KRS
11 61.510(20).

12 ~~(63)~~~~[60]~~ "Optional allowance" is defined by KRS 16.505(18).

13 ~~(64)~~~~[64]~~ "Participant" is defined by KRS 16.505(36), 61.510(37), and 78.510(34).

14 ~~(65)~~~~[62]~~ "Participating" is defined by KRS 16.505(33), 61.510(34), and 78.510(31).

15 ~~(66)~~~~[63]~~ "Participating employer" means any employer that participates in one (1) of the
16 systems operated by the agency.

17 ~~(67)~~ "Participating position" means a regular full-time position, a regular full-time officer
18 position, or other positions that meet the requirements of KRS 61.680(6)(a) and 78.545.

19 ~~(68)~~~~[64]~~ "Participation date" means the earlier of "membership date" as defined in this
20 section or the date on which the member began participating in another state-administered
21 retirement system if the member has not retired or taken a refund from the other state-
22 administered retirement system.

23 ~~(69)~~~~[65]~~ "Past service" is defined by KRS 61.552(5)(a) and 78.545(7).

24 ~~(70)~~~~[66]~~ "Person" means a natural person.

1 (71)[67] "Premium" means the monthly dollar cost required to provide hospital and
2 medical insurance plan coverage for a recipient, a recipient's spouse, or a disabled or
3 dependent child.

4 (72)[68] "Prior service" is defined by KRS 16.505(5), 61.510(11), and 78.510(11).

5 (73)[69] "Provide," if used in reference to a form or other document, means the agency
6 makes a form or document available on its Web site (if appropriate) or by mail, fax, secure
7 email, or via Self Service on the Web site maintained by the agency (if available).

8 (74)[70] "Qualified domestic relations order" is defined by KRS 16.505(37), 61.510(38),
9 and 78.510(35).

10 (75)[74] "Recipient" is defined by KRS 16.505(26), 61.510(27), and 78.510(26).

11 (76)[72] "Reemployment" means the retired member's first date of employment with a
12 participating employer following his or her most recent retirement date.

13 (77)[73] "Regular full-time officers" is defined by KRS 16.505(22).

14 (78)[74] "Regular full-time position" is defined by KRS 61.510(21) and 78.510(21).

15 (79)[75] "Retired member" is defined by KRS 16.505(11), 61.510(24), and 78.510(23).

16 (80)[76] "Retirement allowance" is defined by KRS 16.505(12), 61.510(16), and
17 78.510(16).

18 (81) "Retirement date" means a member's effective retirement date as described in KRS
19 61.590(5) and 78.545(4).

20 (82)[77] "Retirement office" is defined by KRS 16.505(28), 61.510(31), and 78.510(29).

21 (83)[78] "School board" is defined by KRS 78.510(4).

22 (84)[79] "School term or year" is defined by KRS 78.510(28).

23 (85) "Self-Service Web site" means the secure Member Self-Service or Retiree Self-Service
24 agency Web site.

1 (86)[80] "Service" is defined by KRS 16.505(6), 61.510(9), and 78.510(9).

2 (87)[84] "State" means the Commonwealth of Kentucky.

3 (88) "State-administered retirement system" means the retirement systems with
4 reciprocity as described in KRS 61.680.

5 (89) "Submit" means the required form, documentation, report, or payment has been
6 received by the retirement office via mail, fax, electronic mail, the Self-Service Web site, the
7 Employer Self-Service Web site, or other mode specifically detailed in an administrative
8 regulation.

9 (90)[82] "Systems" means the State Police Retirement System (KRS 16.505 to 16.652),
10 the Kentucky Employees Retirement System (KRS 61.510 to 61.705), and the County
11 Employees Retirement System (KRS 78.510 to 78.852).

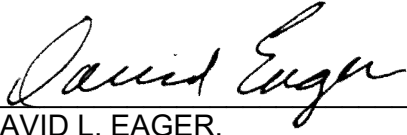
12 (91)[83] "Total and permanent disability" is defined by KRS 16.582(1)(a) and
13 78.5524(1)(a)1.

14 (92)[84] "Valid," if used in reference to a form, means that all required sections of a form
15 are filled out, the form has been fully executed by the required person or the person's legal
16 representative, and all supporting documentation required by the form is included with the
17 form.

18 (93)[85] "Volunteer" is defined by KRS 61.510(42) and 78.510(39).

19 (18 Ky.R. 1692; 2195; eff. 1-10-1992; 22 Ky.R. 1325; 3-7-1996; 31 Ky.R. 785; 1049; eff.
20 1-4-2005; 33 Ky.R. 2-2-2007; 44 Ky.R. 258; eff. 11-3-2017; 49 Ky.R. 1535, 1899; eff. 7-5-
21 2023.)

APPROVED:



DAVID L. EAGER,
EXECUTIVE DIRECTOR
KENTUCKY PUBLIC PENSIONS AUTHORITY

3/21/2024

DATE

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing to allow for public comment on this administrative regulation shall be held on Tuesday, June 25, 2024, at 10:00 a.m. Eastern Time at the Kentucky Public Pensions Authority (KPPA), 1270 Louisville Road, Frankfort, Kentucky 40601. Individuals interested in presenting a public comment at this hearing shall notify this agency in writing no later than five workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be cancelled. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until June 30, 2024. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

KPPA shall file a response with the Regulations Compiler to any public comments received, whether at the public comment hearing or in writing, via a Statement of Consideration no later than the 15th day of the month following the end of the public comment period, or upon filing a written request for extension, no later than the 15th day of the second month following the end of the public comment period.

CONTACT PERSON: Jessica Beaubien, Policy Specialist, Kentucky Public Pensions Authority, 1260 Louisville Road, Frankfort, KY 40601, email Legal.Non-Advocacy@kyret.ky.gov, telephone (502) 696-8800 ext. 8570, facsimile (502) 696-8615.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation number: 105 KAR 1:001
Contact person: Jessica Beaubien
Phone number: 502-696-8800 ext. 8570
Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes definitions for Title 105 of the Kentucky Administrative Regulations.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to establish the definitions for Title 105 of the Kentucky Administrative Regulations.

(c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation conforms to the authorizing statute by establishing definitions for Title 105 of the Kentucky Administrative Regulations, which contains administrative regulations for the Kentucky Public Pensions Authority and the systems for which it provides operations.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation will assist in the effective administration of the statutes by establishing definitions for the administrative regulations in Title 105 of the Kentucky Administrative Regulations.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This amendment adds several new definitions.

(b) The necessity of the amendment to this administrative regulation: These additional definitions are needed to assist in the effective administration of statutes by establishing them as definitions for the administrative regulations in Title 105 of the Kentucky Administrative Regulations.

(c) How the amendment conforms to the content of the authorizing statutes: This amendment conforms to the authorizing statute by adding definitions for Title 105 of the Kentucky Administrative Regulations, which contains administrative regulations for the Kentucky Public Pensions Authority and the systems for which it provides operations.

(d) How the amendment will assist in the effective administration of the statutes: This amendment will assist in the effective administration of the statutes by adding definitions for the administrative regulations in Title 105 of the Kentucky Administrative Regulations.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation may affect over 420,000 members of the systems for which the Kentucky Public Pensions Authority provides operations as well as their spouses, dependent children, and beneficiaries. Additionally, this administrative regulation may affect 1,452 employers that participate in the State Police Retirement System, the Kentucky Employees Retirement System, and the County Employees Retirement System. Finally, this administrative regulation will affect the Kentucky Public Pensions Authority and the three (3) systems for which it provides operations, the State Police Retirement System, the Kentucky Employees Retirement System, and the County Employees Retirement System.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: None.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): This regulation will not cost any additional funds.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): This administrative regulation will assist all entities identified in question (3) with understanding the administrative regulations in Title 105 of the Kentucky Administrative Regulations.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: None.

(b) On a continuing basis: None.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: There is no funding needed.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: There is no increase in fees or funding required.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish any fees or directly or indirectly increase any fees.

(9) TIERING: Is tiering applied? (Explain why or why not) Tiering is not applied. All entities have the same requirements.

FISCAL IMPACT STATEMENT

105 KAR 1:001

Contact Person: Jessica Beaubien

Phone: 502-696-8800 ext. 8570

Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 61.505(1)(g)

(2) Identify the promulgating agency and any other affected state units, parts, or divisions: The Kentucky Public Pensions Authority (KPPA) is the promulgating agency. The other affected state units are the employers that participate in the State Police Retirement System or the Kentucky Employees Retirement System.

(a) Estimate the following for the first year:

Expenditures: None.

Revenues: None.

Cost Savings: None.

(b) How will expenditures, revenues, or cost savings differ in subsequent years? None.

(3) Identify affected local entities (for example: cities, counties, fire departments, school districts): The employers that participate in the County Employees Retirement System may be impacted by this administrative regulation.

(a) Estimate the following for the first year:

Expenditures: None.

Revenues: None.

Cost Savings: None.

(b) How will expenditures, revenues, or cost savings differ in subsequent years? None.

(4) Identify additional regulated entities not listed in questions (2) or (3): None.

(a) Estimate the following for the first year:

Expenditures: None.

Revenues: None.

Cost Savings: None.

(b) How will expenditures, revenues, or cost savings differ in subsequent years? None.

(5) Provide a narrative to explain the:

(a) Fiscal impact of this administrative regulation: There is no fiscal impact for this administrative regulation.

(b) Methodology and resources used to determine the fiscal impact: There is no fiscal impact for this administrative regulation.

(6) Explain:

(a) Whether this administrative regulation will have an overall negative or adverse major economic impact to the entities identified in questions (2) - (4). (\$500,000 or more, in aggregate) This administrative regulation will not have a "major economic impact".

(b) The methodology and resources used to reach this conclusion: There is no major economic impact for this administrative regulation.

Instructions for Completing Form 6481 Employer Request for Post-Determination of Bona Fide Promotion or Career Advancement

If you believe the amount of the creditable compensation or other account information on the Form 7112 you received is incorrect, please contact an ERCE representative at 1-888-696-8810

The Form 6481 is used to assist the agency in determining whether an increase in an employee's creditable compensation greater than 10% is the result of a bona fide promotion or career advancement as defined below.

IMPORTANT:

- You must complete the Form 6481 **in its entirety** and provide supporting documentation, e.g., job descriptions, hourly or salary wage change documentation, employee grade level changes and personnel action forms.
- Failure to complete the Form 6481 in its entirety and provide supporting documentation may result in a determination that any increase in creditable compensation greater than 10% WAS NOT the result of a bona fide promotion or career advancement.
- A completed Form 6481 must be submitted to the Kentucky Public Pensions Authority within thirty (30) calendar days of the date of notice on the Form 7111 - Employer Notification of Pension Spiking.
- Failure to timely submit the Form 6481 could result in waiver of the right to provide evidence that the increase in creditable compensation was due to a bona fide promotion or career advancement and you will be responsible for paying the actuarial cost.
- If you do not provide an explanation or documentation, and no reporting information needs corrected, you will receive an invoice for the actuarial cost.
- You do not have to submit the Form 6481 if there was no bona fide promotion or career advancement.

"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; See 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. See 105 KAR 1:001(14)(b)

The following are **not** bona fide promotions or career advancements without evidence of career advancement or change in position based on training, skills, education, or expertise that imposes a significant change in job duties:

- Overtime or compensatory time for which the employee was paid (except for lump sum payment of compensatory time paid at termination). The reason the employee worked overtime or compensatory time is not relevant;
- An increase in the number of hours the employee worked per day or number of contract days worked per year; and
- Payment for alternate sick leave.

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

Section 1. Employee Information

New Hire/Rehire - Current Employee. Mark the employee status during the fiscal year(s) of the increase in creditable compensation in question in which the promotion or career advancement took place.

Change/Hire Date. The date of the event that you believe is the date the bona fide promotion or career advancement occurred.

Section 2. through Section 5.

Follow the instructions as provided in those Sections.

Section 6: Certification.

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



KENTUCKY PUBLIC PENSIONS AUTHORITY
 1260 Louisville Road • Frankfort, KY 40601
 Phone: (502) 696-8800 • Fax: (502) 696-8822 • kyret.ky.gov



Print Form

Form 6481
6/2024

Employer Request for Post-Determination of Bona Fide Promotion or Career Advancement

You should submit this form if you have received notice from the Kentucky Public Pensions Authority of its determination of additional actuarial costs resulting from annual increases in the employee's creditable compensation greater than ten percent (10%) over the employee's last five (5) fiscal years of employment, and you want to request that the Kentucky Public Pensions Authority make a determination as to whether or not the annual increases were attributable to a bona fide promotion or career advancement in accordance with KRS 61.598, 105 KAR 1:001, and 105 KAR 1:142.

If the Kentucky Public Pensions Authority determines that the annual increases were not attributable to a bona fide promotion or career advancement, the employee's last participating employer will be required to pay any additional actuarial costs resulting from annual increases in the employee's creditable compensation greater than ten percent (10%) over the employee's last five (5) fiscal years of employment.

Last Participating Employer Information

| | |
|-----------|----------------|
| Employer: | Employer Code: |
|-----------|----------------|

Name of Employer Where Promotion or Career Advancement Occurred

| | |
|-----------|----------------|
| Employer: | Employer Code: |
|-----------|----------------|

Section 1: Employee Information

| | |
|--|--|
| At the time of the increase, the employee was: (Please check one) <input type="checkbox"/> Not an employee <input type="checkbox"/> A New Hire/Rehire <input type="checkbox"/> A Current Employee | Member ID: |
| Name: | Change/Hire Date: (list all applicable dates) |

Section 2: Predeterminations pursuant to 105 KAR 1:142 Section 3(2)(a)2.

If you **have a predetermination**, complete the certification in this section and skip to Section 6.
 If you **do not have a predetermination**, skip this section and proceed to Section 3.



If you have already received a determination from the Kentucky Public Pensions Authority that the employee's change of position or hiring would constitute a bona fide promotion or career advancement, you must submit this form with a copy of the Kentucky Public Pensions Authority's determination letter attached, and you must certify (if accurate) that the employee's annual increases greater than ten percent (10%) over the employee's last five (5) fiscal years of employment were due to the employer implementing the proposed change in position or hiring that was the basis of the Kentucky Public Pensions Authority's determination.

Predetermination Certification

I hereby certify that the employee's annual increases totaling greater than ten percent (10%) in any of the employee's last five (5) fiscal years of employment were due to the employer implementing the proposed change in position or hiring that was the basis of the Kentucky Public Pensions Authority's determination.

Section 3: Singular Bona Fide Promotion or Career Advancement in Multiple Years

If there were multiple sequential years in which the employee experienced increases in creditable compensation totaling greater than 10% per fiscal year, are all increases in creditable compensation totaling greater than 10% per fiscal year attributable to a singular bona fide promotion or career advancement? Yes No (Check "no" if more than 1 bona fide promotion/career advancement)

If yes, provide the years: _____

If you checked "Yes", complete the certification of a singular promotion or career advancement below and continue to Section 4.
 If you checked "No", skip this section and continue to Section 4.

Certification of a singular promotion or career advancement

I hereby certify that all of the employee's increases in creditable compensation greater than 10% are attributable to a singular promotion or career advancement. This information is provided in Section 4 below.

Section 4: Bona Fide Promotion or Career Advancement due to advancement or change in employment position pursuant to KRS 61.598(1)(a). (If multiple bona fide promotion/career advancements occurred, answer each question in this section for each bona fide promotion/career advancement.)

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

If you checked "Yes", complete this section and continue to Section 6.

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

If there are one or more increases in creditable compensation totaling greater than 10% in a fiscal year, is the entire amount that is greater than 10% attributable to a bona fide promotion or career advancement? O Yes O No

Explain:

Complete the following 2 questions 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.

Complete the following 3 questions based on the employee's job description after 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.

Describe any additional training, skills, education, or expertise gained by the employee to justify the promotion or career advancement. Please attach documentation if applicable.

You must submit documentation supporting the assertion that the increase in creditable compensation was from a bona fide promotion or career advancement.

Certification of Bona Fide Promotion or Career Advancement in accordance with KRS 61.598(1)(a).

I hereby certify that the above information is correct and 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 job description after promotion or career advancement is accurate to the best of my knowledge. I understand that Kentucky Public Pensions Authority may request that I testify at an administrative hearing as to the matters described herein.

Section 5: Bona Fide Promotion or Career Advancement due to authorized increases in creditable compensation pursuant to 105 KAR 1:001(14)(b).

Is this a bona fide promotion or career advancement due to authorized increases in creditable compensation pursuant to 105 KAR 1:142 Section 3(2)(a)3.? O Yes O No

If you checked "Yes", complete this section and continue to Section 6.

If you checked "No", skip this section and continue to Section 6.

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.

Certification of Bona Fide Promotion or Career Advancement due to authorized increases in creditable compensation pursuant to 105 KAR 1:001(14)(b).

I hereby certify that the above information is correct and 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 job description after the promotion or career advancement is accurate to the best of my knowledge. I understand that Kentucky Public Pensions Authority may request that I testify at an administrative hearing as to the matters described herein.

Section 6: Acknowledgement and Certification of Form 6481

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 have records in my possession, custody, or control and fail to provide all such records to the Kentucky Public Pensions Authority, my employer or myself personally may be liable for civil payments, legal fees, and costs.

Agency Head Signature: _____ Date: _____

Agency Head Printed Name: _____

**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 as 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 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 Advancements. 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
 1260 Louisville Road • Frankfort, KY 40601
 Phone: (502)696-8800 • Fax: (502)696-8822 • kyret.ky.gov

FORM 6487
 Revised 6/2024

Section 1 - Member Pension Spiking Exemptions

Employer Information

Employer Name:

Employer Code:

Member Information

Member Name:

Member ID:

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 |
|-------------|-------------|----------------------|--------|---------------|----------|---------|--------------|
|-------------|-------------|----------------------|--------|---------------|----------|---------|--------------|

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 provide 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 6.
If you selected "exemptions", continue to Section 2.

Section 2 - Exemption Amounts

Employer Information

Employer Name:

Employer Code:

Member Information

Member Name:

Member ID:

| | |
|--|-----------------------------|
| At the time of the increase, the employee was: (Please check one) | Change/Hire Date: |
| <input type="checkbox"/> A New Hire/Rehire <input type="checkbox"/> A Current Employee | (list all applicable dates) |

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 to 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 | Fiscal Year | Fiscal Year | Fiscal Year | Fiscal Year |
|--|-------------|-------------|-------------|-------------|-------------|
| 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 the 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 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 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.

You must submit documentation supporting the assertion that the increase in creditable compensation was from a bona fide promotion or career advancement.

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: _____