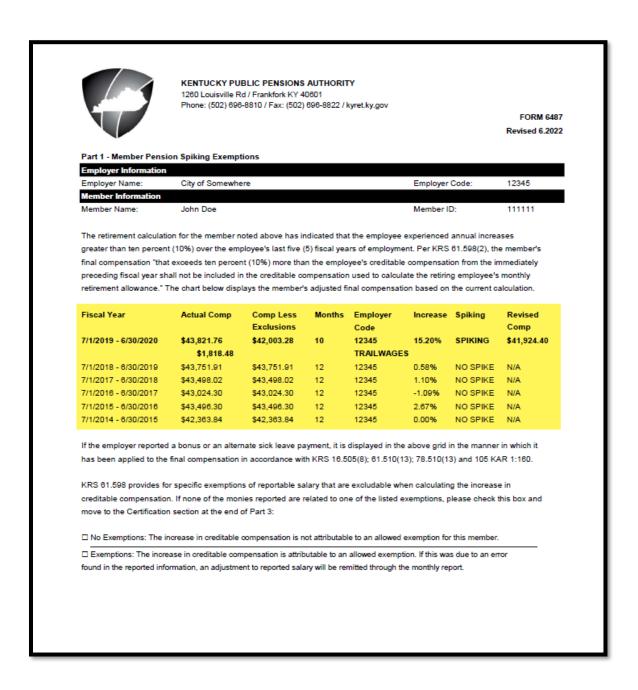
Quick Guide to Completing Form 6487 Member Pension Spiking Exemption

STEP 1

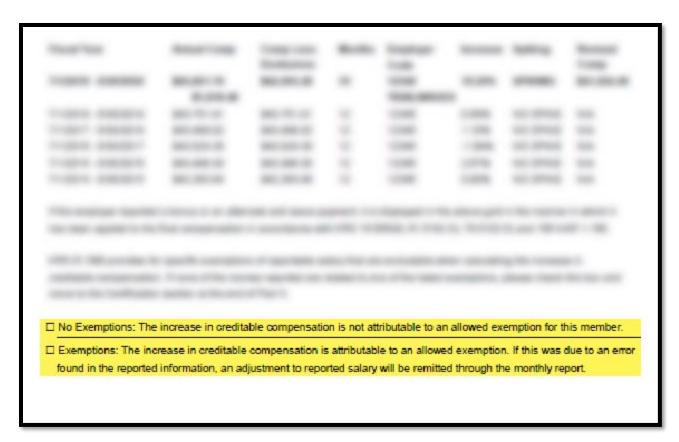
Part 1 of the form provides information on the last participating employer, the member whose account is affected, and the member's final compensation with pension spiking details. It is important you review the final compensation information for accuracy, and once complete proceed to **STEP 2**.





STEP 2

Every member must have the bottom section of Part 1 completed. There are the three scenarios that affect how you may complete this information:



- 1. Mark the <u>NO Exemptions</u> check box if pension spiking is not due to a reporting issue or statutory approved exemption, then proceed to <u>STEP 5</u>.
- 2. Mark the <u>Exemption</u> checkbox if pension spiking is due to one of the five statutory approved exemptions, and proceed to <u>STEP 3</u> of this quick reference guide.
- 3. Mark the <u>Exemption</u> checkbox if pension spiking is due to improper reporting of Leave without Pay, Alternate Sick Leave, or Lump Sum Compensatory Pay at Termination records. Make a notation below the exemptions box indicator that pension spiking is due to a reporting issue that needs correction. Then proceed to <u>STEP 5</u> of this quick reference guide.

The Reporting Official will need to correct the reporting issue in Employer Self Service using the Adjustments module or call the Employer Hotline at 1-888-696-8810 for assistance.

STEP 3

On Part 2 of the form, the Employer Information and Member Information will be prepopulated. The employer representative must enter the exemption amount in the appropriate table within the Member Pension Spiking Exemption Amount section. Please enter the exemption amount in the fiscal year it was paid.

Part 2 - Exemption Amounts		
Employer Information		
Employer Name:	City of Somewhere	Employer Code: 12345
Member Information		
Member Name:	John Doe	Member ID: 111111
Member Pension Spiking Ex	emotion Amounts	
member rension spiking Ex	emption Amounts	
F:1 V		
Fiscal Year	Bona Fide Promotion or Career Advancement **	
7/1/2019 - 6/30/2020		
7/1/2018 - 6/30/2019		
7/1/2017 - 6/30/2018		
7/1/2016 - 6/30/2017		
7/1/2015 - 6/30/2016		
7/1/2014 - 6/30/2015		
Fiscal Year	and as a result of, a state of emergency declared by the President of the United States or by the Governor of the Commonwealth of Kentucky	and as a result of, a state of emergency declared by the local government in which the Governor mobilizes the KY National Guard per KRS 38.030 and 39A.950 **
7/1/2019 - 6/30/2020		
7/1/2018 - 6/30/2019		
7/1/2017 - 6/30/2018		
7/1/2016 - 6/30/2017		
7/1/2015 - 6/30/2016		
7/1/2014 - 6/30/2015		
**If the salary is for overtime	worked from May 28, 2020 through May 11, 2021 for an e	emergency declared between May 28, 2020
to October 5, 2020, then the	exemption is valid whether the KY National Guard was m	nobilied for the entire period or not.
	Wages attributable to overtime required as a	Wages attributable to the first 100 hours of
	condition for an employer's receipt of a	mandatory overtime that an employee
F1 1 14	state or federal grant, grant pass-through	is individually required to work by the
Fiscal Year		employer during a fiscal year
	or similar project	
7/1/2019 - 6/30/2020	or similar project	
7/1/2019 - 6/30/2020 7/1/2018 - 6/30/2019	or similar project	
7/1/2019 - 6/30/2020 7/1/2018 - 6/30/2019 7/1/2017 - 6/30/2018	or similar project	
7/1/2019 - 6/30/2020 7/1/2018 - 6/30/2019	or similar project	



To complete Step 3 fill in the wage information for the appropriate exemption as described below:

- 1. If the exemption is due to a Bona Fide Promotion or Career Advancement enter in the first table the difference in salary paid after the promotion or career advancement within the fiscal year the event occurred, then proceed to STEP 4.
 - Example1: If the employee's salary changed from \$2500/month to \$4000/month and the promotion or advancement occurred April 1, then the difference in salary from April 1 to June 30 is \$1500/month for 3 months. The total exemption amount paid in the fiscal year would be \$4500.
 - Example 2 (School Board Employee ONLY): On July 1, the employee's contract changed from \$10.00/hour for 7.0 hours/day with a 180-day contract to \$14.00/hour for 8.0 hours/day in a 230-day contract. To find the exemption amount, first determine the difference in the daily rates: \$10.00/hour x 7.0 hours/day = \$70.00 (previous daily rate). \$14.00/hour x 8.0 hours/day = \$112.00 (new daily rate). \$112.00 \$70.00 = \$42.00 (difference). Since the change was at the beginning of the school year on July 1, use the full number of contract days to finish the calculation: \$42.00 x 230 days. The total exemption amount paid in the fiscal year would be \$9660.00.
 - Example3 (School Board Employee ONLY): On November 16, the employee's contract changed from \$12.99/hour for 7.0 hours/day with a 185-day contract to \$16.98/hour for 8.0 hours/day in a 244-day contract. To find the exemption amount, first determine the difference in the daily rates: \$12.99/hour x 7.0 hours/day = \$90.93 (previous daily rate). \$16.98/hour x 8.0 hours/day = \$135.84 (new daily rate). \$135.84 \$90.93 = \$44.91 (difference). Since the change was in the middle of the school year, use the actual days worked from the effective date on November 16th in the calculation: \$44.91 x 135 contract days. The total exemption amount paid in the fiscal year would be \$6062.85. If the pension spike continues into the next consecutive fiscal year, use the remainder of the contract to determine the exemption amount: \$44.91 x 109 contract days (244 135). The total exemption amount paid in the following fiscal year would be \$4895.19.
- 2. If the exemption is overtime due to a state of emergency enter the total exemption amount in the second table under the appropriate description of the state of emergency. If the emergency overlaps multiple fiscal years, you will need to enter the correct amount paid for each fiscal year. Once this information is entered, proceed to STEP 5.
 - If this exemption is for a state or federally declared emergency, a copy of the Declaration of Emergency from the Governor of the Commonwealth of Kentucky or a Declaration of Emergency from the President of the United States must be included with the completed Form 6487.
 - If this exemption is for a local government declared emergency in which the Governor of the Commonwealth of Kentucky has mobilized the Kentucky National Guard, a copy of the Declaration of Emergency and the Order by the Governor must be included with the completed Form 6487.



- 3. If the exemption is due to mandatory or required overtime hours per KRS 61.598(4)(e), enter the total exemption amount in third table under the appropriate description of the overtime condition. If this overtime amount overlaps multiple fiscal years, you will need to enter the correct amount paid for each fiscal year. Once this information is entered, proceed to STEP 5
 - If the exemption is a state or federal grant, grant pass-through, or similar program, you must include a copy of the programs paperwork with the completed Form 6487. In order to expedite the review, please underline or highlight the specific language requiring overtime.
 - If this exemption is for the first 100 hours of mandatory overtime an employee is required to work by their employer within a fiscal year, KPPA requires an additional written statement from the primary reporting official or agency head for verification to be submitted with the completed Form 6487. Payment received for mandatory overtime after the first 100 hours in a fiscal year, voluntary overtime, and optional overtime does not qualify for this exemption.

STEP 4

If the exemption is due to a Bona Fide Promotion or Career Advancement complete the first three sections of Part 3. Do not complete this part of the form if the pension spike is due to any other exemption or reason.

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 Complete the following section based on the employee's job description after promotion or career	
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 Complete the following section based on the employee's job description after promotion or career	
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Describe the employee's job duties prior to promotion or career advancement. Please attach a job description Complete the following section based on the employee's job description after promotion or career	
Complete the following section based on the employee's job description after promotion or career	
	if available
advancement.	
Employee's job title after promotion or career advancement:	
Describe the employee's job duties prior to promotion or career advancement. Please attach a job description	if available.

In the Employee Information section, check a box to indicate the employee's status at the time of the promotion or career advancement. Then provide the employee's name and SSN or Member ID. In the Change/Hire date field, provide the date of the promotion or career advancement.



• A copy of the personnel form with the date of the promotion/advancement must be submitted with the Form 6487.

The second section requests information on the employee's job before the promotion or career advancement. Please provide the title along with a job description. If you cannot fit the job description in this space, please write *see attached* and include a copy of the job description with the completed form

The third section requests information on the employee's job after the promotion or career advancement. If you cannot fit the job description in this space, please write *see attached* and include a copy of the job description with the completed form. Once all sections are completed, proceed to **STEP 5**.

STEP 5

The final step on this form is to certify the information you have provided is complete and accurate. KPPA will accept signatures from either the Agency Head or the primary Reporting Official on this form.

Certification	
I hereby certify that if I have full knowled	ge of the penalty in KRS 532.100 related to falsification of records and the
information provided is true and accurate).
Agency Head Signature:	Date:
Agency Head Printed Name:	

QUESTIONS?

If you have questions on how to complete the Form 6487, please call the Employer Hotline at 1-888-696-8810.