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Employer Newsletter

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April 2020

Employer Reporting, Compliance & Education

Employer Contribution Rates

The 2020 Regular Session adjourned *Sine Die* on April 15, establishing contribution rates effective July 1, 2020. Please note that the General Assembly would typically approve a State Executive Branch budget for the two-year period beginning on July 1, 2020 and extending through June 30, 2022 (fiscal years 2021 and 2022). However, due to the COVID-19 crisis, the legislature only proposed a one-year budget. A budget for fiscal year 2022, establishing contribution rates effective July 1, 2021, will have to be introduced in a later Session. [Read More](#)

Governor's State of Emergency and Pension Spiking

On March 6, 2020, Governor Beshear declared a [State of Emergency](#) for immediate response to the COVID-19 emergency in the Commonwealth. As we know, many first responders and other positions are working substantial overtime hours to deal with this pandemic. Many employers have questioned how this will affect employees when they retire as it relates to pension spiking.

Per Kentucky Revised Statute 61.598 (4)(f) defines one of the pension spiking exemptions as "Increases in creditable compensation directly attributable to an employee's receipt of compensation for overtime performed during a state of emergency declared by the President of the United States or the Governor of the Commonwealth of Kentucky." Therefore, overtime worked specifically related to response of the COVID-19 pandemic will be considered an exemption to the pension spiking provisions. Kentucky Retirement Systems will rely upon the Reporting Official to properly report this exemption on the Form 6487 "Member Pension Spiking Exemptions."

Senate Bill 177 Emergency Days <https://apps.legislature.ky.gov/record/20rs/sb177.html>

Section 4 of Senate Bill 177, "Notwithstanding Kentucky Revised Statute 161.152 and any other statute or administrative regulation to the contrary, during the 2019-2020 school year, a local board of education shall allow emergency leave to any full-time or part-time **classified** or certified employee if the local board determines it is necessary in relation to the COVID-19 public health emergency." Therefore, emergency leave works the same as personal or sick leave which counts as actual days worked for the determination of service credit at the end of the school year. School board reporting officials must report emergency days correctly to ensure the correct number of actual days worked is submitted to KRS.

Probationary Status

Probationary positions are positions of employment with a participating employer that do not exceed twelve (12) months and that are used uniformly by the employer for new employees who would otherwise be eligible for participation in the system. Probationary positions shall not be renewable by the participating employer 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 are **not eligible** to hire a retiree and put them on a probationary period. Kentucky Revised Statute 78.510 (21)(d) defines probationary as "positions that would be otherwise eligible to participate in the system," which would exclude retired reemployed employees.

Coroners

Coroners must be reported to KRS regardless of whether the coroner worked enough hours to qualify as a regular full-time officer. 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 KRS with a job position of "Other".

Reporting policies

Please ensure you have your most recent sick leave, temporary and probationary policies on file with KRS. If you need to submit a policy to KRS, you can email, fax or mail it to our office.

Retirement Application – Employer Certification KRS has recently implemented a new feature of self service, giving members the ability to submit their retirement application online. Soon, employers will also have the option to complete the employer certification section of the retirement application online as well. Additional information will be provided to employers explaining how this works.

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