



# ERCE



EMPLOYER REPORTING, COMPLIANCE & EDUCATION

## Pension Spiking Change – Effective 7/1/2024

A new regulation has been created for Pension Spiking – 105 KAR 1:142. This regulation was approved by the Kentucky Public Pensions Authority (KPPA) Board at its June 27, 2024 meeting.

For members with an effective retirement date of July 1, 2024 or after, or where the first payment is on or after July 1, 2024, across-the-board raises and/or increases in creditable compensation for all employees in a specified class will be exempt from Pension Spiking.

In Section 4 – Bona Fide Promotion or Career Advancement, the employer must document on the Form 6487 (Request for Member Pension Spiking Amounts) the creditable compensation amount(s) and reason attributable to the authorized increases in creditable compensation pursuant to 105 KAR 1:142.

Once the completed Form 6487 is received by KPPA, the Employer Reporting, Compliance & Education (ERCE) team will review the form and supporting documentation to ensure the exemption is covered by 105 KAR 1:142.

For employees that retired July 1, 2024 or after and a Form 6487 has already been completed, KPPA will be reaching out to employer reporting officials to inquire if there was an across the board raise or increase in creditable compensation that can be exempted from pension spiking.

If you have questions regarding the changes brought forth in this regulation, please contact your employer representative at 1-888-696-8810.

## When can an employee apply for Disability Retirement?

An employee must have at least 60 months of service credit. This requirement is waived for a member applying for duty-related disability (nonhazardous members) or in-line-of-duty disability (hazardous members).

The employee's retirement application must be on file in the retirement office no later than 24 months after the last day of paid employment in a regular full-time position at a participating agency.

- "Last day of paid employment" is the last date employer and employee contributions are required to be reported to KPPA.
- Employee and employer contributions must be reported to KPPA for all months in which the employee was employed in a participating position for an average of 100 hours (80 hours for classified employees of a School Board) for employer and employee contributions to be properly reported to KPPA.
- Please be aware that "last day of paid employment" does not necessarily mean the last day that the employee worked and may include a period of paid leave.

Employees who began participating in one of the systems administered by KPPA prior to August 1, 2004, who are eligible for an unreduced benefit cannot apply for a disability benefit.

An employee can apply for disability while they are still on the payroll. The employee may

continue to work while awaiting a disability determination. The employee may also be on paid leave, unpaid leave, or may have terminated their employment. It is recommended that an employee not wait until they are on leave without pay before applying for disability.

## How can an employee apply for Disability Retirement?

- Any employee wishing to apply for disability retirement should submit their Form 6000, Notification of Retirement, to KPPA to begin the process. Find more detailed instructions on our website: [How to apply](#)
- Employees may log in to [self service](#) and click Apply for Retirement on the home page. This is the most efficient and effective way to submit a [Form 6000](#) and ensure it is completed correctly. Instructions are included throughout the retirement module and the employee should review their information before submitting their application.
- For additional instructions to complete the online retirement application, visit [Managing Your Retirement Account](#).
- Employees may also file for retirement by applying for retirement on our paper application. They can complete the [Form 6000, Notification of Retirement](#) and mail or fax to the address/fax number on the form. An improperly completed Form 6000 will be considered invalid and the employee will be notified to submit a valid Form 6000, which could delay the application process and administration of benefits.
- An employee who is eligible for early retirement can retire early pending a determination for disability retirement if they terminate employment. The employee should indicate both types of retirement on their Form 6000, Notification of Retirement.

## What happens after an employee applies for Disability Retirement?

An employee's agency will receive a request to complete Section H of the Form 6000, Notification of Retirement.

- If the Form 6000 is completed online at [myretirement.ky.gov](#), your agency's point of contact for KPPA will receive an email request to complete Section H.
- If the Form 6000 is submitted as a paper form, the employee will provide their employer with Section H to be completed.

KPPA currently has a contract with Managed Medical Review Organization (MMRO) for the administration of disability retirement claims. MMRO will reach out to employees for all necessary forms and documentation needed to perform the review.

MMRO will also reach out to your agency's reporting official to complete the Form 8030, Employer Job Description. Instructions for completing the form are included in the request.

The employee has 180 days from the date they filed their Form 6000, Notification of Retirement, to submit required forms and documentation. This includes the Form 8030 completed by you, the employer. Your prompt reply will help prevent a delay in review of the employee's claim.

KPPA will notify the employee of the determination of disability benefits. It is the employee's responsibility to notify their employer of any resulting change to their employment status.

KPPA will not pay any retirement benefit unless the employee has terminated their employment.

## For more information about Disability Retirement benefits

For more information regarding eligibility to apply for disability retirement, visit [Eligibility Requirements](#).

For more information regarding how to apply for disability retirement, visit [How to Apply](#).

Additional details can be found in the [Summary Plan Description](#).

If you or your employee have any other questions about disability retirement eligibility and the application process, please contact our office at 1-800-928-4646

Kentucky Public Pensions Authority | 1260 Louisville Road | Monday - Friday 8:00 a.m. - 4:30 p.m. ET | Frankfort, KY 40601 US

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