



# ERCE



## EMPLOYER REPORTING, COMPLIANCE & EDUCATION



### New Hires

Newly hired employees should complete and submit **Form 2035, Beneficiary Designation**, to KPPA. If there is not a valid Form 2035 on file, the member's estate is the default beneficiary. The member and a witness must sign this form, or it will not be accepted. A member may name one or more individuals, an estate, or a trust as principal or contingent beneficiary of the retirement account.

Please instruct your newly hired employee(s) to use their social security number on the Form 2035, Beneficiary Designation, if they have not yet received their KPPA member ID.

Please consider having all new hires complete KPPA **Form 2035, Beneficiary Designation**, as part of your onboarding process.

Go to our website to read about the **importance and benefits of having a chosen beneficiary.**

The member can verify their current beneficiary on file with KPPA through our **Member Self Service (MSS) login.**

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### Upcoming System Enhancements

KPPA is in the process of implementing system enhancements that will improve reporting processes for our employers. These system enhancements will help increase reporting accuracy and improve KPPA's ability to continue to offer excellent service across all

stakeholders.

The two enhancements that will be implemented in 2025 will impact Service Averaging and Employer Invoicing.

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### Service Averaging

KPPA is in the process of implementing system improvements that will increase the efficiency in the service averaging process. This improvement will impact members across SPRS, KERS and CERS. Currently, members that work for a School Board are already evaluated for service averaging through an automated system process so there will be no impact to CERS members that work for a School Board.

As a reminder, service averaging requires members reported in a regular full-time position (Non-School Board) to average one hundred (100) or more hours per month over a fiscal or calendar year to earn service credit.

We anticipate these changes will be applied in the Fall of 2025. Additional information, training opportunities and training resources will be communicated with you soon.

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## Employer Invoicing

Our Employer Invoice Enhancement Project gives new functionality to you, the reporting employer, as well as a new look to Employer Self Service (ESS), KPPA's employer reporting platform. Invoice enhancement will allow for disputing individual transactions within an invoice in ESS. This will streamline the dispute process for both KPPA and employers and allow employers to continue with payment for any non-disputed amounts.

Additional information, training opportunities and training resources will be communicated with you soon.

Please be sure to always open and read all emails from KPPA and encourage your peers in reporting to do the same.

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## Employer Omitted Billing Invoice with Interest

Pursuant to KRS 16.543, KRS 61.543, and KRS 78.615, employers are required to withhold and remit contributions for all eligible regular full-time employees. Employer contributions are required to be paid for such employees pursuant to KRS 61.565 and KRS 78.635. Contributions which are not reported will result in an omitted service purchase.

105 KAR 1:140 requires employers to report creditable compensation earned by all employees in the monthly report with some cited exceptions.

If an employer does not properly report and submit contributions for such an employee, that person is entitled to purchase omitted service for those time periods when they should have been reported as regular full-time, pursuant to KRS 61.552.

Employer contributions tied to this period of unreported employment are considered delinquent from the date the creditable compensation should have been reported. Consequently, you are required to pay the employer contributions as well as the applicable interest or penalties on these delinquent contributions by the due date indicated on the invoice. In some instances, no interest will be due on service previously reported as non-participating that is later determined to be omitted service. The member will be contacted separately regarding this service purchase. Employer contributions and interest must be paid for the member to obtain service credit.

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## Employer Resources

For more information on additional employer topics please visit our [Employer Page](#) on the KPPA website.

For more information on employer reporting please view our [Employer Reporting Manual](#) on the KPPA website.

If you would like to speak to someone about reporting, please call our Employer Hotline at 1-888-696-8810.



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