



## CERS Reporting Changes for Dollar Contribution

[Senate Bill 10](#) was passed during the 2025 Regular Session of the Kentucky General Assembly amending KRS 78.5536. This includes changes that impact CERS members and employers.

To implement these changes, KPPA created two new CERS contribution groups to capture Tier 1 members with a participation date of July 1, 2003 – August 31, 2008, who will begin paying a Health Insurance Contribution (HIC). For reporting purposes, two new CERS contribution group codes were also created.

1. CERS Nonhazardous (CNHZDC)
2. CERS Hazardous (CHZDC)

Please refer to the updated [Employer Contribution Record Layout](#) for more information.

SUMMARY OF EMPLOYEE CONTRIBUTION CHANGES					
These changes take effect <b>July 1, 2026</b> and are <b>not retroactive</b> .					
	Participation Date	Service Type	Contribution Group	Current HIC	7/1/2026 HIC
<b>Tier 1</b>	7/1/2003-8/31/2008*	Nonhazardous	CNHZDC <i>New</i>	0%	1%
<b>Tier 1</b>	7/1/2003-8/31/2008*	Hazardous	CHZDC <i>New</i>	0%	2%
<b>Tier 2</b>	9/1/2008-12/31/13	Nonhazardous	CNHZHI	1%	1% (no change)
<b>Tier 2</b>	9/1/2008-12/31/13	Hazardous	CHZHI	1%	2%
<b>Tier 3</b>	1/1/2014 and after	Nonhazardous	CNHZCB	1%	1% (no change)
<b>Tier 3</b>	1/1/2014 and after	Hazardous	CHZCB	1%	2%

*\*This change does not apply to members with a participation date between July 1, 2003, and July 31, 2004, and a hire date before July 1, 2003.*

Visit our website for details about the [new CERS requirements for monthly reporting](#).

### Important Update: Report Month Change for Initial Reporting

After additional review and employer feedback, KPPA has determined that the HIC changes should be reported for the first time on the **August 2026 Report** instead of the July 2026 Report. This timing better accommodates the different payroll processes and systems used by employers.

The HIC changes will apply to wages **paid** during the month of August 2026 and after. This will include wages earned in July but **paid** in August based on your payroll system.

Please contact your ERCE Representative with any monthly reporting questions.

### **Identifying Dollar Contribution members**

ERCE representatives will notify employers of which employees are eligible for Dollar Contribution. This information will start going out to employers in early May sent via secure email.

KPPA is restricted as to when certain changes can take place in our system. There has also been a large response from members seeking to confirm their eligibility. Please keep in mind that the initial lists provided to employers will be as accurate as possible, but there could be changes based on updates to member account information. Employers will have an opportunity to confirm their eligible employees prior to submitting the August 2026 report.

### **Payroll Changes for Dollar Contribution**

Once the list of eligible employees has been obtained, employers should plan to make the appropriate changes in their payroll systems to ensure that the correct HIC deductions start on time. Employers should also complete any other changes needed to begin reporting using the new contribution groups.

### **Employer Self Service (ESS) Changes**

We are introducing a new search option for Download Member ID. Searching by Contribution Group will allow employers to select a contribution group code and generate a list of all employees reported in that group on the most recently posted monthly report. This list will be available in spreadsheet format.

*\*NOTE: This new search option is available now but will not return results for the new contribution groups until member accounts are updated in August 2026.*

### **Important Dates**

<b>Dates</b>	<b>Additional Resources</b>
10/30/2025	CERS Reporting Changes Effective July 1, 2026, email to CERS Employers
11/14/2025	November 2025 Employer Newsletter to ALL Employers
11/26/2025	CERS Reporting Changes - New Contribution Groups and Employer Contribution Record Layout email to CERS Employers
5/6/2026	<b>ERCE begins distributing Dollar Contribution Employee Lists</b>
8/1/2026	Monthly Reporting Effective Date for CERS Rate changes to KRS 78.5536 2025 Regular Session Summary to KPPA for the August 2026 Report Month.

	Health Insurance Contributions of 1% due for CERSNHZ employees eligible for Dollar Contribution
	Health Insurance Contributions of 2% due for CERS HZ employees eligible for Dollar Contribution, Tier 2, and Tier 3 HZ groups
8/25/2026	Monthly Report Template for 8/2026 created

### Frequently Asked Questions?

Have questions about Dollar Contribution Group reporting? See our new [FAQ](#).



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