



Kentucky Public
Pensions Authority

CHAPTER 6

School Boards

TABLE OF CONTENTS

MEMBERSHIP	2
POSITION STATUS	3
DETERMINATION OF SERVICE CREDIT	4
GENERATE END OF YEAR REPORT	5
UPLOAD END OF YEAR REPORT	6
SUBMIT END OF YEAR REPORTS	9
INDEX	12

MEMBERSHIP



STATUTE

[KRS 78.510\(21\)](#)



READ MORE

[Chapter 2:
Employee
Reporting](#)



REGULATION

[KAR Chapter 105](#)

All classified school board employees must be reported to KPPA on the monthly CERS file; however, not all employees are eligible to participate in CERS and have retirement contributions withheld. Classified school board employees meeting the definition of regular full-time according to [Kentucky Revised Statute 78.510\(21\)](#) are required to contribute to CERS. Employees classified as non-participating are not eligible to have retirement contributions withheld, but must still be reported in the monthly file. The Contribution Group designation for each employee dictates the employee's retirement contribution withholding and the appropriate amount of that deduction. Please see [Chapter 2](#) for additional information.

A participating school board position is any classified position where the employee's job duties require the employee to average 80 hours of work per month based on actual days worked or contract days, with the exception of seasonal, emergency, temporary, probationary, or part time (less than 80 hour average) positions.

To determine if an employee averages 80 hours, KPPA uses the following process per Kentucky Administrative Regulation Section 1:300(1):

Actual days worked	\div	20 <i>(average working days in a month)</i>	$=$	Actual months worked
Total wages earned	\div	hourly rate	$=$	Total hours worked
Total hours worked	\div	Actual months worked	$=$	Average # of hours worked per month

If the average number of hours of worked per month is 80 or higher, the employee averages and retirement contributions deducted.



Example: A bus driver works 185 days, 4 hours per day, at a salary of \$8.00 per hour.

185 days worked \div **20** = **9.25 months**

\$5,920.00 yearly salary \div **\$8.00** per hour = **740** hours worked in school year

740 hours worked \div **9.25 months** = **80** hours per month worked

Historical Note: State law as of July 1, 1974 was amended to allow school bus drivers who worked an average of 80 hours or more per month to be included in the CERS. State law was amended July 13, 1990 to also allow cafeteria workers, secretaries, teacher's aides, and custodians to participate in CERS provided they averaged 80 hours or more of work per month. State law was amended July 1, 1992 to allow all noncertified school board employees to participate in CERS provided they averaged 80 hours or more of work per month.



As a general rule, if an employee is scheduled to work four or more hours per day and works at least a total of 80 hours in a school year, the employee will likely average and should be classified as a contributing employee. Averaging is first calculated over actual days worked. If the employee does not average over actual days worked, contract days are used in the

calculation. It is important to note that allowing a *non-participating part-time* employee to work more days than originally specified in his or her contract may result in an omitted invoice for that school year.

POSITION STATUS

REGULAR FULL-TIME POSITION

Regular full-time positions are classified positions which require the employee to work a schedule of 4.0 hours per day or greater and include a predetermined number of contract days. Employees reported under this position status should have wages reported each month, but can also be reported with \$0.00 wage records during months which qualify as summer months.

PART-TIME POSITION

Part-time classified school board positions are positions that require an average of less than 80 hours of work per month over actual days worked in a school year.



It is important to note that allowing a *non-participating part-time* employee to work more days than originally specified in his or her contract may result in an Employer Omitted invoice for that school year.

CLASSIFIED SUBSTITUTE POSITIONS

Substitute classified school board employees are not specifically addressed in the statutes governing CERS; therefore, employees classified by a school board as substitutes are included in the participation eligibility guidelines.

INTERMITTENT POSITION STATUS

This status may be used for those employees who receive creditable compensation which must be reported to KPPA, but who maintain a sporadic work schedule and may not earn wages every month. Please note that the Contribution Group assigned to the employee would govern whether or not retirement contributions are expected to be reported. If an employee is going to work four or more hours per day, he or she will average and should be classified so that retirement deductions are withheld and reported. This position status is a good option to report substitute employees, since they may work sporadically.



Example: A “substitute” bus driver works four hours per day for a total of 20 non-consecutive days in the school year. The employee would average 80 hours over actual days worked and would receive one month of credit for that fiscal year. Therefore, the employee should have retirement contributions withheld and be reported with an Intermittent Position Status.

[Kentucky Revised Statute 161.545](#) requires individuals providing substitute and part-time teaching services to contribute to Teachers’ Retirement System (TRS). Therefore, classified employees who are also working as substitute teachers must be reported to CERS for their classified position salary and to TRS for the salary earned as a substitute teacher. It is advisable to contact the [TRS](#) at 1-800-618-1687 for more information regarding this situation.



STATUTE

[KRS 161.545](#)



[Teachers’
Retirement
System](#)

If there is a question as to whether or not an employee should be reported in CERS, please contact your ERCE Representative.

DETERMINATION OF SERVICE CREDIT



KAR Chapter 105

The procedure used to determine the number of months of retirement service credit earned by an individual school board employee is provided by [105 Kentucky Administrative Regulation 1:300 Section 2\(2\)](#). Since July 1, 2000, employees who work at least 180 days and average 80 hours per month over the actual days worked will receive 12 months of service credit.

If an employee works fewer than 180 days per year, the employee will receive service credit determined by the following formula:

$$\text{Number of days worked} \div 180 \times 12 = \text{Number of months service}$$



If the employee works less than 180 days, the maximum number of months credited will not exceed 11.

The following chart provides a breakdown of months of service credited based upon days worked:

DAYS WORKED	MONTHS EARNED	DAYS WORKED	MONTHS EARNED
22 Days or Less	1 month	98 - 112 Days	7 months
23- 37 Days	2 months	113 - 127 Days	8 months
38 - 52 Days	3 months	128 - 142 Days	9 months
53 - 67 Days	4 months	143 - 157 Days	10 months
68- 82 Days	5 months	158 - 179 Days	11 months
83 - 97 Days	6 months	180 Days or More	12 months



NOTICE

While a member's service will be calculated based upon the number of days worked or contract days; an employee's hire date or termination date will determine the maximum months of service credit earned for the fiscal year. For example, if a member began working August 1, 2012, and worked through June 30, 2013, they could earn no more than 11 months of service credit, despite the fact that they may have worked 180 days.

Be sure to report termination dates, as well as a record for every month of employment, including leave without pay (LWOP) and zero-dollar wage records. Failure to do so could affect the service credit awarded.





MUNIS
1-800-722-4908



[munis@
education.ky.gov](mailto:munis@education.ky.gov)



**Munis Help
Guide**

GENERATE END OF YEAR REPORT

The End of Year (EOY) Report is a list of all classified employees, including non-participating, who were reported to CERS during the school year. This report is generated by each school board in MUNIS.

KPPA uses the information from the EOY Report to average and determine service credit. This process can only be performed at the end of the fiscal year for school board employees.

For each employee, the report should include the following:

- Employee Name
- Social Security Number
- Actual Days Worked by the Employee

Actual days worked for the school year should be reported for all employees on the EOY Report regardless of the employee's classification throughout the year. If an employee has a change in either contribution group or position status during the year, you should report the actual days worked for both classifications on the EOY Report.



For Example:

JOE WORKS 90 DAYS	
Non-participating contribution group	Probationary position status
▼	
JOE WORKS 90 MORE DAYS	
Participating contribution group	Regular full-time position status
▼	
EOY REPORT	
Joe is reported with 180 actual days worked	

If an employee participates in more than one contribution group over the course of a school year, KPPA provides a Multiple Enrollment Report following the submission of the EOY Report requesting a breakdown of days worked in each contribution group.

In the above example, 180 days would be included on the EOY Report, but on the subsequent Multiple Enrollment Report KPPA provides, the days will be broken down into:

- 90 days for the Probationary status in a Non-participating contribution group, and
- 90 days for the Regular Full-Time Status in a Participating contribution group.

This will ensure the member receives accurate service credit.



Contracted Positions: If a classified employee holds more than one contracted position with an individual board, please report the total days worked for all positions. Please note that a single day should not be counted more than once.



Paraprofessionals: If the employee is strictly a paraprofessional (coaches only), the employee should be reported with zero days worked on the EOY Report. If the employee is a paraprofessional and has a regular contract job, please report only the days worked for the contract job.

UPLOAD END OF YEAR REPORT

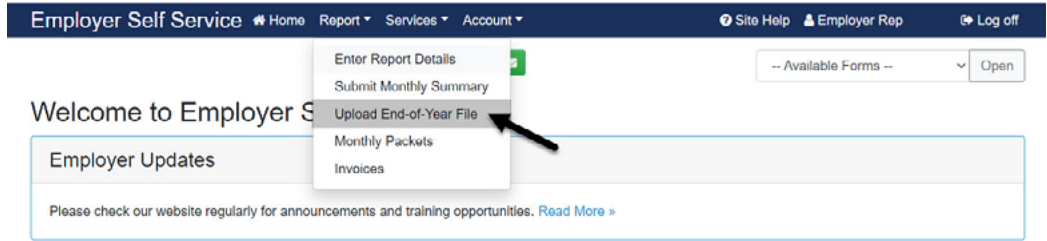
School boards will upload their EOY file in Employer Self Service (ESS) through the Upload End-of-Year File menu option. The Upload End-of-Year File module will display previous EOY files that have been uploaded by the school board beginning with the 2011-2012 fiscal year report.

There are four steps in this process:



STEP 1

After successfully signing into ESS, click **Upload End-of-Year File** located under the Report menu.



STEP 2

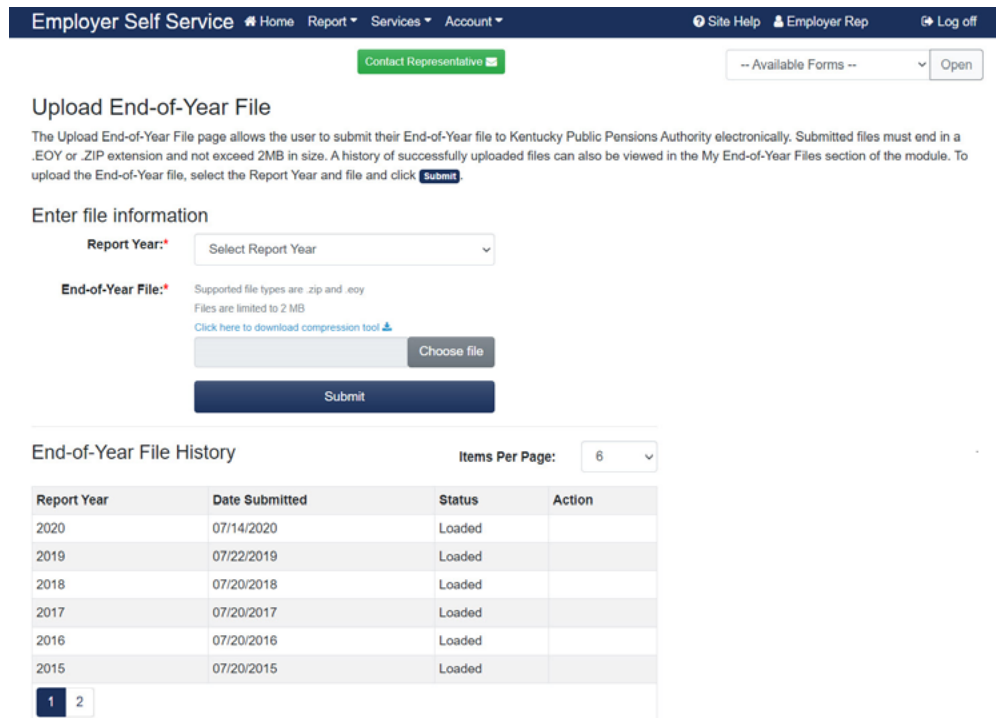
Select the **Report Year** for which you are submitting the EOY file from the dropdown box.

STEP 3

Click **Choose file** and select the file to upload.



The End of Year file must adhere to the following standard naming convention: FYBEGIN_FYEND_EMPLOYERCODE.EOY
For Example: 20182019V037.EOY



STEP 4

Click

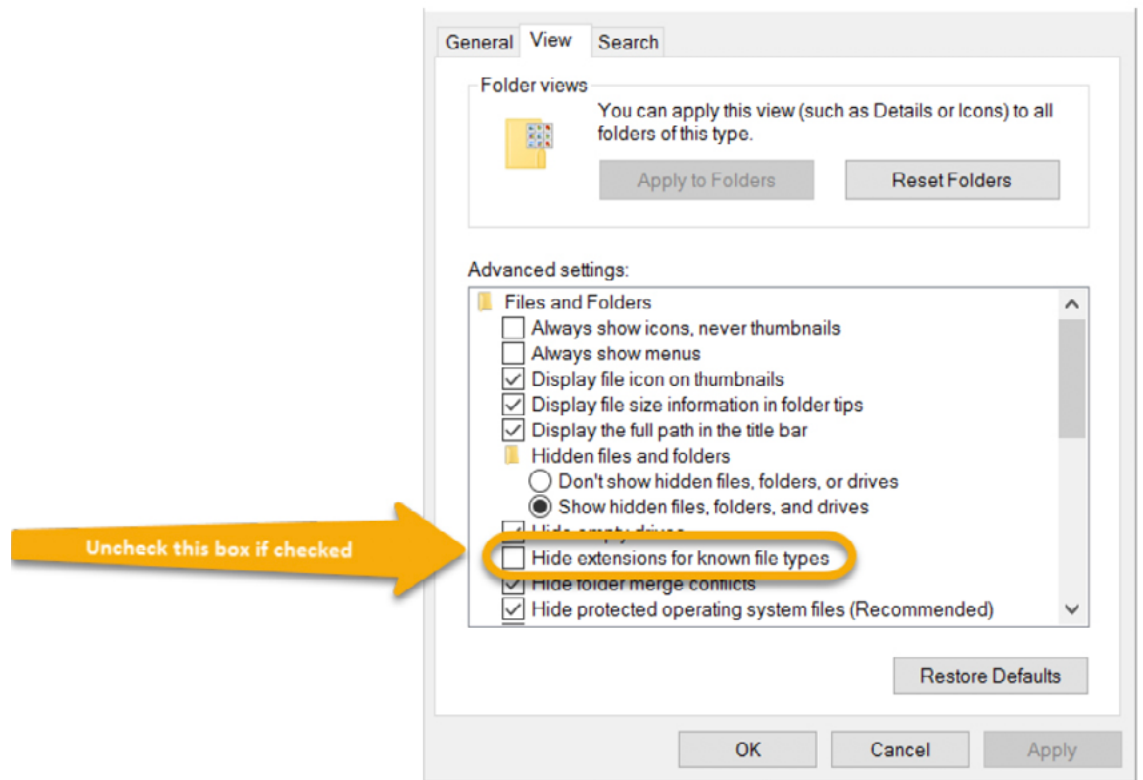
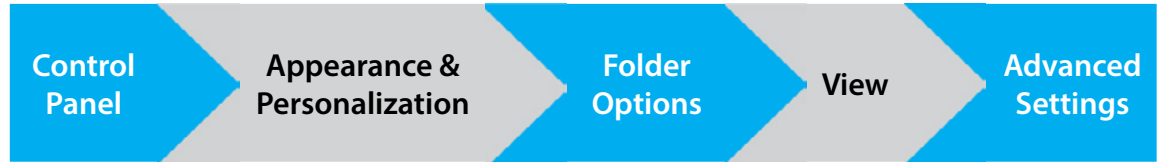




DON'T FORGET TO:

- Capitalize all letters in your file name.
- Check to make sure your computer is set up to display file extensions. Sometimes when your computer is reset, the settings change.

Here's how you check:



If the EOY file is rejected, you will need to resubmit your file by returning to the [Upload End-of-Year File](#) screen and repeating Steps 1 – 4.

DUE DATE

End of Year Reports are due at KPPA 20 days after the end of the fiscal year. Please submit your file as soon as possible to allow sufficient time for our staff to assist you with any issues you may encounter. Submitting your report late will result in a penalty being assessed.



STATUTE

[KRS 78.615 \(1\)\(b\)](#)

[Kentucky Revised Statute 78.615 \(1\)\(b\)](#) provides that a penalty shall be imposed on the employer of one thousand dollars (\$1,000) if the above information is not submitted by the date required with an added two hundred and fifty dollars (\$250) penalty for each additional thirty (30) day period the information is reported late.

SUBMIT END OF YEAR REPORTS

After the EOY files have been processed, KPPA uses this information to determine service credit for school board employees. When the August monthly templates generate, any applicable EOY reports show up in your July monthly packet. These reports are generated using the information your agency submitted on the EOY file and identify employees who may need corrections or adjustments to their records.

You may receive up to four EOY reports:

1. Error Listing Report (Form 7993)
2. Exception Report (Form 7994)
3. Multiple Enrollment Report (Form 7997)
4. Non-Participating Employees Report (Form 7999)

Boards of Education should return all applicable reports to KPPA no later than November 15th.

ERROR LISTING REPORT - FORM 7993

An Error Listing Report is generated when:

- An employee was included on the EOY file but was not reported throughout the school year, or
- An employee was reported to KPPA during the school year but was not included on the EOY file, or
- An employee had invalid data on the EOY file

In order to determine if the employee is eligible to contribute to CERS, the employer must provide corrected information for the employee on this report.

For employees who were included on the EOY file, but not reported throughout the school year, please report any applicable adjustments with your next monthly report or note on the Error Listing Report that these employees were included in error on the EOY file.

For employee(s) who were reported throughout the year, but were not on the EOY file, provide:

1. Actual Days Worked

For employee(s) who were reported with invalid data on the EOY file, provide:

1. Employee Name
2. Social Security Number
3. Actual Days Worked by the Employee

Be sure to check the employee's name and Social Security number to ensure that the correct number is being reported.

EXCEPTION REPORT - FORM 7994

If an employee had contributions reported to KPPA throughout the year and does not average 80 hours over actual days worked, your July monthly packet will include an Exception Report. Please review the Exception Report for discrepancies. Common errors include: inaccurate hourly rates, inaccurate number of days worked, missing wage records, and contributions reported for the same employee under two different Social Security numbers.

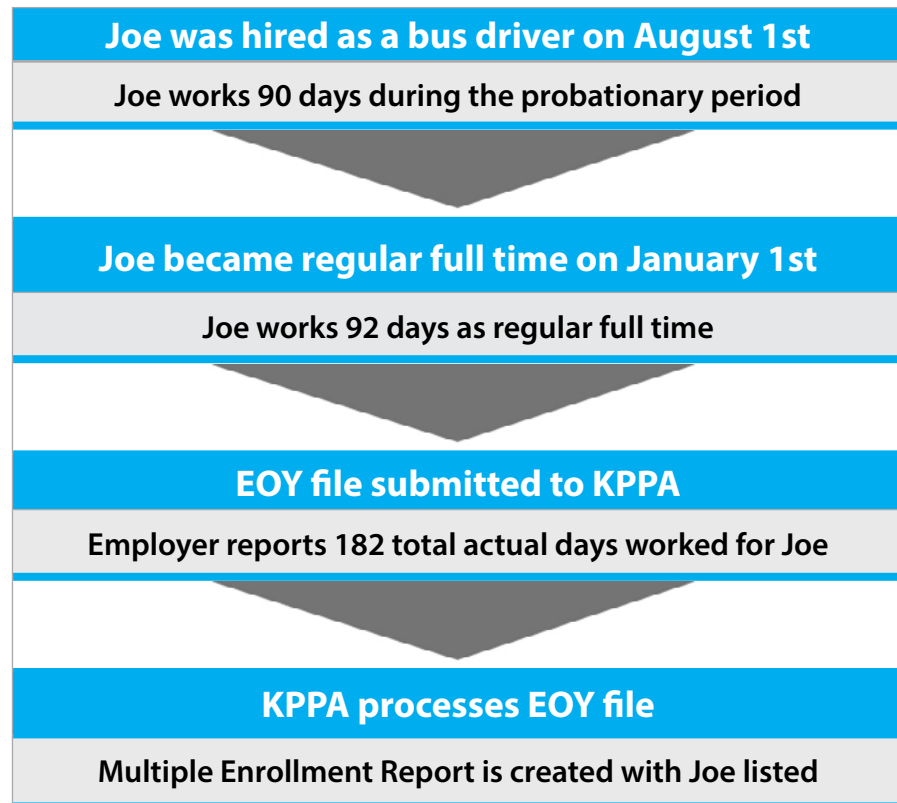
If the number of actual days worked was reported in error on the EOY file, please make corrections on the Exception Report. If the correct wages and contributions were not reported for an employee, please make this correction by submitting an adjustment in your next monthly reporting cycle.

MULTIPLE ENROLLMENT REPORT - FORM 7997

If an employee was reported with multiple periods of employment during the school year, this report is generated so employers can provide a breakdown of the total actual days worked based on the EOY file. The employer should provide the actual days worked during each period of employment.



For Example:



In the above example, the school board will verify on this report that the probationary period had 90 days actually worked and the employee worked 92 days as regular full time.

NON-PARTICIPATING EMPLOYEES REPORT - FORM 7999

If an employee had salary reported to KPPA throughout the year and appears to meet the statutory definition of regular full-time, your July monthly packet will include a Non-Participating Employees Report. Please review the Non-Participating Employees Report for discrepancies. Common errors include: reporting incorrect position status, inaccurate hourly rates, and inaccurate number of days worked.

If the number of actual days worked was reported in error on the EOY file, please make corrections on the Non-Participating Employees Report. If the correct salary, position status, or hourly rate were not reported for an employee, please make the correction by submitting the appropriate adjustment(s) in your next monthly reporting cycle. If you are unable to make the correction(s) through ESS, please contact your ERCE representative for assistance.

NOVEMBER 15TH DUE DATE

Corrections or adjustments identified in the Exception report, Non-Participating Employees report, Error Listing report and/or Multiple Enrollment report are due by November 15th. Please submit the necessary information as soon as possible to allow sufficient time for our staff to assist you with any issues you may encounter.

Boards of Education may submit reports by secure email to their ERCE representative or by fax to (502) 696-8822. If you are not sure who your ERCE representative is, [click here](#) to find your contact. Please remember to use the [KPPA Secure Email Portal](#) when sending confidential information. Our [user manual](#) provides step-by-step instructions for using the portal.

ERCE will process the submitted reports upon receipt and will update service credit for those listed on the report(s) as needed.

EOY INVOICING

If a Board of Education does not return all required reports by the due date, KPPA will audit the employee's account to determine if further action is required on the member's account. If it is determined that the employee does not average, their account may have service credit reduced and contributions refunded to the Board of Education on a Service Averaging Credit invoice. If a reported non-participating employee does average, KPPA may be required to issue Employer Omitted invoices for applicable omitted contributions. Additionally, Retired Reemployed accounts that average may be subject to Employer Omitted invoices and applicable Health Insurance Reimbursement.

ESS

Employer
Self Service

SELF SERVICE



Contact ERCE

 PDF LINK

[Secure Email
Portal User
Manual](#)

INDEX

A

Average/Averaging [2](#)

E

End of Year Reporting [5](#)

End of Year Reports [8,9](#)

EOY Report [5](#)

Error Listing [11](#)

Error Listing Report [9](#)

Exception, Non-Participating Employees [11](#)

Exception, Non-Participating Employees Report
[11](#)

Exception Report [9](#)

I

Intermittent Position Status [3](#)

K

Kentucky Revised Statute 78.615 (1)(b) [8](#)

Kentucky Revised Statute 161.545 [3](#)

Kentucky Teachers' Retirement System [3](#)

KPPA Secure Email Portal [11](#)

M

Membership [2,3,4](#)

Months of service credited [4](#)

Multiple Enrollment Report [10,11](#)

N

Non-participating contribution group [5,6](#)

Non-Participating Employees Report [11](#)

P

Participating contribution group [5](#)

Part-time Position [3,4](#)

Probationary status [6](#)

R

Regular Full-time Position [2](#)

Report Year [7](#)

S

Substitute Positions [3](#)

U

Upload End of Year Report [6](#)