



Employer Reporting, Compliance & Education



Summer 2018 Training

Topics

- Benefit Tiers
- Contribution Groups
- Sick Leave Programs
- Position Status
- Payment Reasons
- Monthly Reporting
- Termination or Retirement
- Invoices
- Adjustments
- MUNIS Support
- End of Year Reporting
- Retired Reemployed
- Health Insurance Reimbursement
- Pension Spiking
- Online Resources

Benefit Tiers



Participation
Date
Prior to
9/1/08

Without HICON
NHAZ 5%

Participation
Date
9/1/08 –
12/31/13

With HICON
NHAZ 6%

Participation
Date
1/1/14
and after

Cash Balance
NHAZ 6%

Contribution Groups

CURRENT

Without Health Insurance

With Health Insurance

Cash Balance

Retired Reemployed

Non-Participating

Employers Not Participating in a CERS Sick Leave Program

- Always include Employment End Date and Employment End Reason.
- Do not verify any sick leave on Section H of the Form 6000 (leave blank).
- Do not report any remaining sick leave to KRS through the monthly report.

Employers Not Participating in a CERS Sick Leave Program

- Do not withhold contributions for sick leave payouts.
- Any payout for sick leave can be rolled over to Deferred Comp since it is not being used for retirement purposes.

Standard Sick Leave Program

Employers Participating in the CERS Standard Sick Leave Program

- Report total sick leave HOURS and hours in a sick leave day on the last monthly report.
- Report Employment End Date and Employment End Reason.
- No contributions withheld.

Standard Sick Leave Program

Employers Participating in the CERS Standard Sick Leave Program

- Under most standard policies, the agency pays the employee 30% for sick leave hours.
- KRS uses the 70% balance for retirement purposes.
- The 30% paid to the employee does not count toward retirement and is eligible for rollover to Deferred Comp.

Sick Leave Program

Standard Sick Leave Program

Employers Participating in the CERS Standard Sick Leave Program

- The agency will be billed for the sick leave cost.
- Sick leave cost calculator in Employer Self-Service.

The screenshot shows a web application interface for the Sick Leave Cost Calculator. At the top is a navigation bar with four tabs: 'Home', 'Report', 'Services' (which is highlighted with a yellow border), and 'Account'. Below the navigation bar is the title 'Sick Leave Cost Calculator'. A paragraph of text explains that employers participating in the Standard Sick Leave Program are responsible for the employee's accumulated sick leave when the employee retires. Below this, another paragraph states that the calculator estimates the liability for an individual's sick leave. The form contains four input fields, each with a red asterisk indicating it is required: 'SSN:' with a three-part box (____ - ____ - ____), 'Retirement Date:' with 'Month' and 'Year' dropdown menus, 'Sick Leave at Retirement:' with a box followed by 'hours', and 'Hours in a Sick Leave Day:' with a box followed by 'hours'. At the bottom right are two buttons: 'Calculate' (in blue) and 'Reset' (in grey).

Home Report **Services** Account

Sick Leave Cost Calculator

Employers who participate in the Standard Sick Leave Program are responsible for the employee's accumulated sick leave when the employee retires.

To calculate an estimate of the liability for an individual's sick leave, please enter the following information:

SSN: * [] - [] - []

Retirement Date: * Month [v] Year [v]

Sick Leave at Retirement: * [] hours

Hours in a Sick Leave Day: * [] hours

Calculate **Reset**

Standard Sick Leave Program

Employers Participating in the CERS Standard Sick Leave Program

Verify total sick leave hours and hours in a sick leave day on Section H of the Form 6000.

Standard Sick Leave Program: If participating in the standard sick leave program, please provide the following information. Note: Contributions <u>should not be withheld</u> from standard sick leave lump sum payouts.	
Accumulated Sick Leave (in hours):	Hours in a Sick Leave Day:

Alternate Sick Leave Program

Employers Participating in the CERS Alternate Sick Leave Program

- Report total sick leave DAYS and hours in a sick leave day on the last monthly report.
- Report Employment End Reason and Employment End Date.
- Any Alternate Sick Leave payment to the employee counts toward retirement and is not eligible for rollover to Deferred Comp.

Alternate Sick Leave Program

Employers Participating in the CERS Alternate Sick Leave Program

- Withhold Employee and Employer contributions.
- Report Alternate Sick Leave payouts separately on your monthly report using the “Alternate Sick Leave Payout” payment reason.

Alternate Sick Leave Program

Employers Participating in the CERS Alternate Sick Leave Program

Verify total sick leave DAYS and hours in a sick leave day.

Alternate Sick Leave Program: If participating in the alternate sick leave program, please provide the following information. Note: Contributions <u>should be withheld</u> from alternate sick leave lump sum payouts.	
Accumulated Sick Leave (in days):	Hours in a Sick Leave Day:
Estimated Compensation to be Paid for Sick Leave:	

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Employer's Administrative Duties

PARTICIPATING STATUSES

- Regular Full Time
- Intermittent

NON- PARTICIPATING STATUSES

- Part Time
- Intermittent
- Seasonal
- Temporary
- Emergency
- Probationary

INDEPENDENT CONTRACTORS

- Contracts must be submitted to ERCE
- Contracts are provided to our Office of Legal Services for review

Regular Full Time

- Average 80 or more hours per month over actual days worked in a school year
- Participating position
- If employee averages 4 or more hours per day, considered regular full-time

Intermittent

- Receive creditable compensation, but maintain a sporadic work schedule and may not earn wages every month.
- May be participating or non participating depending on actual hours worked.
- Substitute classified employees

Paraprofessionals

- Para only positions
 - Report as non participating unless member is employed by another CERS agency.
- Regular Full Time and Para position
 - Within MUNIS combine wages.

Probationary

- Not to exceed 12 months and not renewable
- CERS employers may designate an initial period of probation for all its employees not to exceed 12 months
- Do not withhold contributions from creditable compensation

Regular Wages

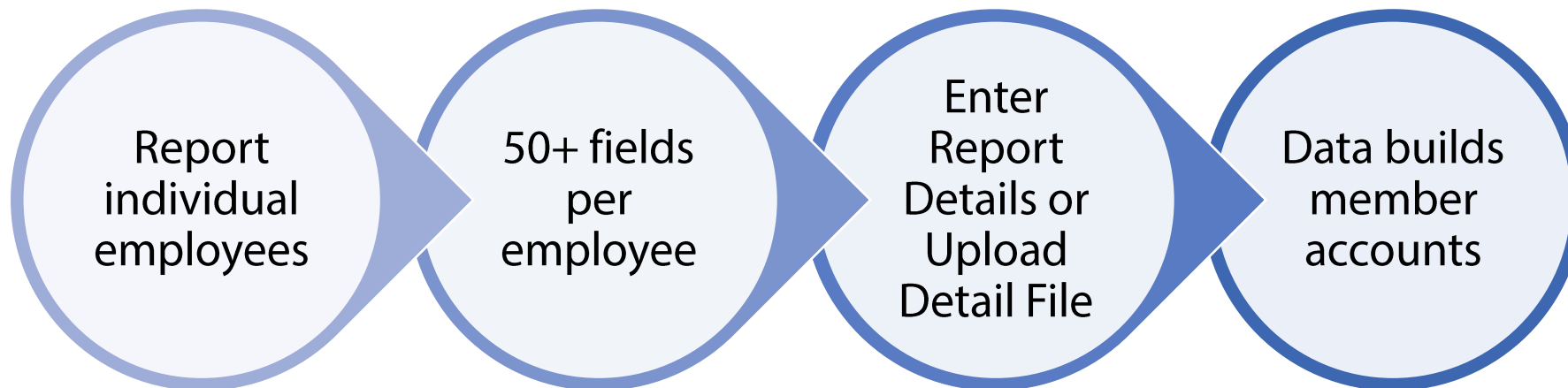
1. Regular Pay
2. Regular Pay with additional creditable compensation
3. Leave without pay
4. Summer months

Additional Wages

1. Bonus or severance payment
2. IPS payment

Reporting a New Member

All participating and non participating classified employees must be reported on the monthly file.





When do I use a new begin date?

- A **new** employee is hired.
- A **retiree** is hired.
- An employee has a **position status change**.
- An employee has a **contribution group change**.



When do I use an end date?

- An employee **terminates** employment.
- An employee **retires**.
- An employee **death**.
- An employee has a **position status change**.
- An employee has a **contribution group change**.

Required Information

- Employment End **Date**
- Employment End **Reason**

Avoid Common Errors



- Missing Employment End Date
- Money reported after termination

Required Information

For Example: A member terminates May 31, 2018

- School Board pays the rest of the contract with June 2018 payroll.
- The June 2018 payroll record needs it's period record manually updated to reflect a posting month of May 2018.

Vacation Lump Sum Payouts

- Excluded from creditable compensation.
- Do not withhold or report contributions.
- Do not verify lump sum payout on Section H of the Form 6000.
- Lump sum vacation payouts can be rolled over to Deferred Comp since it is not being used for retirement purposes.

Types of Invoices

- Standard Sick Leave
- Health Insurance Reimbursement
- Service Averaging
- Penalty
- Employer Omitted
- Monthly Reporting
- Employer Pension Spiking
- Member Pension Spiking Refund

Employer Omitted Invoice

Complete contributions were not received by KRS for an employee.

For Example: An employee was reported as non participating but averaged and contributions should have been withheld.

Monthly Reporting Invoice

Adjustments for members on the last pages of your monthly reporting invoice will be handled through your payroll.

These adjustments are tied to a specific employee.

Monthly Reporting Invoice

Adjustments to recover contributions tied to a specific employee:

- EECON adjustment deduction codes
- HICON adjustment deduction codes
- ERCON adjustment deduction codes

Monthly Reporting Invoice

Adjustments to refund contributions to an employee:

- Use pay types:
 - CERS Refund Prior to CY 2017
 - CERS Refund After CY 2016

Refund of contributions to Employer:

- ERCON Adjustment Deduction Code

Contact Information

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Online Resources

MUNIS Help Guide

<https://education.ky.gov/districts/Pages/MUNIS-Guides.aspx>

Help Guide

DISTRICT/SCHOOL SUPPORT

MUNIS Support and Guides

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MUNIS is the financial software package used in all 173 Kentucky School Districts. Instructions and explanations to allow for consistent reporting of required school district financial information are provided. There are also links to other associated sources.

Payroll Retirement Reporting



[KTRS Pathway MUNIS Guide](#)

MUNIS Guide - Instructions on the per payroll process in Munis to create a file for submission to KTRS Pathways.

[KTRS Pathway Setup Instructions](#)

Munis Guide - Guide on the required initial setup of the Munis KTRS Pathway program.

[KYCERS EOY START Reporting](#)

MUNIS Guide - Instructions on creating the KYCERS Start End of Year Report.

[KYCERS START Monthly Report](#)

MUNIS Guide - KYCERS START Monthly Report

[Start Monthly Report Invoice Adjustments](#)

MUNIS Guide - Guide on processing KYCERS Start refunds Reporting.

MUNIS Tips

Do Not Report Check box *located on Retirement Maintenance screen*

- If checked, KRS will not see the details of the period record.
- If blank, KRS will see the details and the member will get the period record added to their account.

End of Year Reporting

- The End of Year report is generated in MUNIS.
- The report lists all classified employees reported to CERS during the school year.
- End of Year files are due to KRS 20 days after the end of the fiscal year.
- \$1,000 penalty if not submitted by due date.

End of Year Reports

- End of Year Reports are generated in August with the July monthly packet.
- Exception, Error Listing and/or Multiple Enrollment Reports.
- Corrections or adjustments due by November 15th.

Retirees Returning to Work

Example 1: A retiree is employed in a substitute position and works at least 4 hours per day.



Retirees Returning to Work

Example 2: A retiree is employed in a substitute position and works less than 4 hours per day.



Health Insurance Reimbursement Evaluation

Did the retiree work 80 days or less within a fiscal year?

Effective July 1, 2015, if a retiree works 80 days or less in a fiscal year, health insurance reimbursement costs are not applicable.

Health Insurance Reimbursement Evaluation

Did the retiree work more than 80 days within a fiscal year?

If a retiree works more than 80 days, health insurance reimbursement costs only apply if the retiree averages 80 hours over actual days worked and has KRS insurance coverage.

Senate Bill 2

2013 General Assembly

- Applies to members with an effective retirement date of **1/1/2014-6/1/2017**.
- Employer pays for spike.
- No change to employee's creditable compensation.
- Employers may still receive invoices due to post-retirement audits.

Senate Bill 104

2017 General Assembly

- Applies to members retiring **1/1/2018 and after**.
- Refunds due to reduction in creditable compensation.
- New exemptions.
- Does not apply to Tier 3.



Form 6487

Request for Member Pension Spiking Exemption Amounts

- **Part 1:** Are increases in creditable compensation attributable to an allowed exemption?
- **Part 2:** Which salaries are related to the exemption?
- **Part 3:** Is this a Bona Fide Promotion or Career Advancement?

KRS Website

<https://kyret.ky.gov/Employers>

- Employer Updates
- Training Schedule
- Reporting Official Manual
- Forms
- Videos

Questions?



Legal Notice

This presentation is written in plain language for use by public employers and employees who are subject to coverage under the Kentucky Retirement Systems. It is not intended as a substitute for federal or state law, namely the Kentucky Revised Statutes, the Kentucky Administrative Regulations, or the Internal Revenue Code, nor will its interpretation prevail should a conflict arise between it and the Kentucky Revised Statutes, Kentucky Administrative Regulations, or Internal Revenue Code. Rules governing the retirement system are subject to change periodically either by statute of the Kentucky General Assembly, regulation of the Kentucky Retirement Systems, or regulation of the Internal Revenue Code. If you have questions about this material, please contact our office or seek legal advice from your attorney. Notwithstanding the foregoing, upon the discovery of any error or omission in system records, the system shall correct all records including but not limited to, membership in the system, service credit, member and employer contributions, and benefits paid and payable. See KRS 61.685.