



Employer Reporting, Compliance & Education

Volunteer Reporting Q&A

Who should be reported to KPPA as a volunteer?

All volunteers with a participation date prior to August 1, 2016 should be reported. Volunteers with a participation date on or after August 1, 2016 or who have never participated in one of the state administered retirement plans should **ONLY** be reported if their monthly volunteer pay exceeds the nominal fee.

What is a nominal fee?

"Nominal fee" means compensation earned for services as a volunteer that does not exceed five hundred dollars (\$500) per month *with each participating employer*. Compensation earned for services as a volunteer from more than one (1) participating employer during a month shall *not* be aggregated to determine whether the compensation exceeds the five hundred dollars (\$500) per month maximum provided by this subsection

How do I know if a volunteer has a participation date prior to August 1, 2016?

Participation date is when a member first started participating in one of the state administered retirement plans. You can find the member's contribution group and/or participation date in our Download Member ID module in Employer Self Service. This is the most proficient way to find out how to report a volunteer. Please contact your ERCE representative if you have further questions about participation dates.

What contribution group should be used for reporting volunteers?

A volunteer whose pay is reflected on an IRS Form W-2 will be reported as non-participating (without employee, health insurance or employer contributions). If the services rendered by the volunteer fit within the description of an existing, approved hazardous position for the employer, then the volunteer should be reported as hazardous non-participating (CHZNP). Otherwise, the volunteer should be reported as non-hazardous (CNHZNP) when the services rendered fit within the description of a position that is considered non-hazardous.

What job position should be used to report a volunteer?

If the services rendered by the volunteer involve completion of duties/tasks that are assigned to an existing job position, the job position reported should be that of the job position that would normally complete the duty/task. If the services rendered by the volunteer do not fit into an existing job position, contact your ERCE representative for information on how to report this period.



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Example: Volunteer provides services normally handled by an Office Secretary. The non-hazardous Office Secretary position is normally reporting using the job position of Other. The nominal fee paid to the volunteer for these services is reported using the position status of Volunteer and the job position of Other.

Example: Volunteer provides services normally handled by a non-hazardous Firefighter. The non-hazardous Firefighter position is normally reported using the job position Fire (Non-Haz). The nominal fee paid to the volunteer for these services is reported using the position status of Volunteer and the job position of Fire (Non-Haz).

Example: Volunteer provides services normally handled by a Firefighter I, which is an approved hazardous job position. The nominal fee paid to the volunteer for these services is reported as hazardous using the position status of Volunteer and the approved job position of Firefighter I.

What payment reason should be used to report the nominal fee paid to a volunteer?

The payment reason of Regular Pay should be used when reporting volunteers. This will be for reporting payments to a volunteer that are reflected on an IRS Form W-2, as well as for months where the volunteer did not receive a payment. The only exception for using the Regular Pay payment reason to report a volunteer is if the payment is considered a Bonus.

What Rate of Pay and Type of Rate of Pay should be used to report the nominal fee paid to a volunteer?

For reporting volunteers use Monthly as the Type of Rate of Pay, then reflect the Rate of Pay as the salary being reported for that month.

Example: A volunteer is paid a nominal fee of \$250.00 for 10/2021. The salary is reported with a Payment Reason of Regular Pay. The Type of Rate of Pay is reported as Monthly, and the Rate of Pay is reported as \$250.00.

What Rate of Pay and Type of Rate of Pay should be used to report volunteer pay that exceeds the nominal fee?

Same as the example above. You will continue to report the employee as a volunteer and use Monthly as the Type of Rate of Pay, then reflect the Rate of Pay as the salary being reported for that month.

What should be reported for the Scheduled Hours Per Day be if the volunteer does not have a set scheduled hours per day?

If there is not a set number of scheduled hours per day for the volunteer work being performed, then the Scheduled Hours Per Day should be reported as zero (0.00).



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Our volunteers do not volunteer every month, do we need to report them in months they are not volunteering?

If a volunteer whose participation date is prior to August 1, 2016 is receiving, or is anticipated to receive, any payment for volunteer services rendered during the calendar year that will reflect on an IRS Form W-2, then the volunteer must be reported to KPPA. In order for KPPA to confirm volunteer status or determine averaging for a period, each month in the period needs to be reported.

Volunteers with a participation date on or after August 1, 2016 **or who have never participated in one of the state administered plans**, who receive payment exceeding a nominal fee in a given month for volunteer services rendered during the calendar year that will reflect on an IRS Form W-2 must be reported to KPPA. Only those months in which pay exceeds the nominal fee threshold should be reported.

We pay our volunteers quarterly, how do I report this?

Payments made to volunteers must be evaluated on a monthly basis to determine if they fit the definition of a nominal fee and, in some cases, averaging. If a volunteer is paid on a basis other than monthly, reporting of the payment should be split to reflect the amount earned for each month.

If I know that a volunteer is going to average because they are also working full time can I report the nominal fee with the regular wage reporting and remit contributions to avoid an omitted invoice later?

Several factors are taken into consideration when reviewing a volunteer period including the volunteer's earliest participation date with one of the systems administered by KPPA and the amount of compensation paid to the volunteer. It is best to wait for KPPA to evaluate the period so that all factors can be taken into account when determining if contributions are due. Payments to a volunteer that are reflected on an IRS Form W-2 should continue to be reported if required as non-participating with the Volunteer position status and correct job position, separate from other salaries reported.

What happens if one of our volunteer firefighters also volunteers for another employer? What if they participate with another employer while volunteering for us?

For volunteers with a participation date prior to August 1, 2016, each employer will report payment to the volunteer reflected on an IRS Form W-2 as non-participating, with the Volunteer position status and the correct job position. For volunteers with a participation date on or after August 1, 2016 **or who have never participated in one of the state administered retirement plans**, only those months with pay exceeding a nominal fee should be reported. Participating employment is reported as usual. At the end of the fiscal year, each month reported for the volunteer will be evaluated to determine if any contributions are due. If contributions are due for period, an Omitted Service Purchase cost will be created for employee contributions. This will also generate an Omitted Employer invoice for the employer contributions due from the appropriate employer.



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How will a period reported as volunteer be reviewed for averaging?

If it is determined that the volunteer has exceeded the nominal fees allowed for a month or that the payment to the volunteer is creditable compensation, they are considered an employee for that month. The month will then be evaluated for averaging and the number of hours that the volunteer has provided services will be needed. KPPA staff will contact the employer to obtain this information for reported volunteers. In order to respond to this request, please maintain the number of hours worked for each volunteer receiving pay that is reflected on an IRS Form W-2.

Do the number of hours volunteered need to be tracked?

The number of hours associated with the monthly pay that is reflected on an IRS W-2 form will be needed in order to determine if the period averages. KPPA staff will contact the employer to request this information when the period is being reviewed.

Example: A volunteer whose participation date is prior to August 1, 2016 provides services for 2 hours in May and receives pay of 50.00. The 50.00 payment will be reflected on an IRS W-2 form, and is reported to KPPA. When contacted by KPPA, the employer states that 2 hours of service were provided for the 50.00 payment.

Example: In June, a volunteer whose participation date is prior to August 1, 2016 provides services for 4 hours and receives 25.00. The 25.00 payment was for 1 hour of the services rendered, and the volunteer received no pay for 3 hours of services rendered. The 25.00 payment will be reflected on an IRS W-2 form, and is reported to KPPA. When contacted by KPPA, the employer states that 1 hour of service was provided for the 25.00 payment.

Example: A volunteer whose participation date is on or after August 1, 2016 provides services for 2 hours in May and receives pay of 50.00. Because the payment is less than a nominal fee, it is not reported to KPPA.

What contribution rates will be charged if a period of volunteer work is determined to average?

If a volunteer has been paid in excess of the nominal fee or if the volunteer has a participation date prior to August 1, 2016, and it is also determined that the period averages over calendar or fiscal year, the period will be billed through an Omitted Service Purchase cost. The contribution rates applicable for the fiscal year being billed will be applied.

How will we be billed for a period of volunteer work that has been determined to average?

If a volunteer has been paid in excess of the nominal fee or if the volunteer has a participation date prior to August 1, 2016, and it is also determined that the period averages over calendar or fiscal year, the period will be billed through an Omitted Service Purchase cost. If the volunteer would be considered retired re-employed, the employer contributions will instead be billed on a Monthly Reporting invoice with any Health Insurance reimbursement due being billed on a Health Insurance Reimbursement invoice.



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If a volunteer receives a nominal fee over \$500 for a month, do they have the option to participate in the system as an employee?

If it is determined that the volunteer has exceeded the nominal fees allowed for a month, they are considered an employee for that month. However, the month must also average over a calendar or fiscal year in order for the member to have the option to purchase the omitted service and participate in the system. Since averaging is determined after a fiscal or calendar year end, volunteers should be reported as non-participating with the Volunteer position status and correct job position even if the payment exceeds 500.00 for a month.

What if we decide to pay a bonus to our volunteer?

Any bonus paid should be reported using the payment reason Bonus.