



Subscribe to updates from Kentucky Public Authority

Email Address  e.g. name@e

Share Bulletin



## SPRING 2024 EMPLOYER NEWSLETTER

Kentucky Public Pensions Authority sent this bulletin at 05/28/2024 09:00 AM EDT



## Verification of Payment Outside of Regular Wages

An employer who is going to pay a bonus, severance pay, or another other type of payment outside of regular wages must submit a completed Form 7250, Verification of Payments Outside Regular Wages.

For KPPA reporting purposes, a bonus is a sum of money granted or given to an employee in addition to regular pay, usually in appreciation for work completed, length of service, etc. Severance pay is an additional pay given to an employee when his or her employment ends. For severance payments, employers must submit a copy of the severance agreement to KPPA for our legal team to review and make a determination on how the severance payment should be reported. Lump sum bonuses, severance payments, and employer-provided payments for service credit purchases must be reported separately from regular wages on the monthly detail report. If these types of payments exceed \$1,000 for the fiscal year, then the combined payments will be averaged over the employee's total service with the system in which they are reported. These types of payments **should not** be reported as regular pay or regular pay with additional creditable compensation. They **should** be reported on a separate line and reported with a payment reason of Bonus/Severance Payment.

Upon review of the completed Form 7250, KPPA will send a correspondence advising the employer how to properly report the payment. Once a specific payment has been determined by KPPA, the agency will not need to submit another 7250 for that same type of payment. For example, if a determination has been made that an Incentive Payment is considered a bonus in calendar year 2022, the agency will not need to submit a Form 7250 for that same type of payment in 2023. However, if it is a different type of payment outside of regular wages, another Form 7250 would need to be submitted.

If any of these payments have already been reported to KPPA as Regular Pay, please contact your ERCE Representative for instructions on how to correct these on your next monthly report.

## Paperless Communications for Members

When submitting your monthly report, please verify that the email address that is being reported for each member is the most current email address. This will help to ensure that the members who have chosen to receive paperless communications will not miss out on any important information from KPPA.

## School Board IPS Payments over Summer Months

If your district has 10-month employees (they will not receive a payroll check in July and/or August) who pre-paid their entire summer IPS payments in June, on the monthly report submit each IPS payment in the appropriate report month. Do not post a lump sum IPS payment to June if the amount received from the employee covers multiple summer months.

## Employer Reporting Manual

The Division of Employer Reporting, Compliance and Education provides the Employer Reporting Manual for our participating employers, which includes comprehensive information about the monthly reporting process and requirements. This manual is the first source of reference in answering your questions and an excellent resource for all your reporting needs.

Access the Employer Reporting Manual [here](#).

## Upcoming Retirements/Section H Forms

With the busiest time of the year for retirements upon us, please be sure to submit the Section H for a retiring member as quickly as possible. The most efficient and convenient way to do this, is by completing the form online and submitting through Employer Self-Service.

Access the e6000h Certification Completion Guide [here](#).

## Invoices Reminder

Invoices are KPPA's method of billing and/or refunding via electronic transactions. KRS 61.675 and KRS 78.625 require participating employers to submit employee information and contributions, employer contributions, and health insurance contributions (when applicable) through the Monthly Reporting process to KPPA. Invoices from this process have a 30-day due date from issuance and are considered current.

Please click this link [Chapter 4 - Monthly Reporting](#) to review the KPPA Employer Reporting Manual for additional information on how to pay your invoices.

If you have questions about an invoice, please contact your ERCE representative.

## Adjustment Reminder

There may be circumstances when an adjustment to a previous record is required.

Some examples are prior period adjustments, retroactive payments and first and last months of employment.

The actual begin date should always be reported to KPPA.

Example: An employee was hired 8/30/2023. The employer should report two (2) records in the month of September 2023. The begin date should not be reported as 9/1/2023. Please refer to page 17, Chapter 4 of the KPPA Employer Reporting Manual for this specific scenario. The process for Employers reporting monthly detail information by the Enter Report Details in ESS should always follow the instructions in [Chapter 4 - Monthly Reporting](#) of the KPPA Employer Reporting Manual.

---

STAY CONNECTED:



**KPPA**  
Kentucky Public Personnel Authority

Please do not reply to this email, this mailbox is not monitored.

[Please contact KPPA if you have questions.](#)

---

Powered by



[Privacy Policy](#) | [Cookie Statement](#) | [Help](#)