EMPLOYER REPORTING MANUAL

GLOSSARY

INDEX

KHRIS

STATUTE

KRS 61.510(13)
KRS 78.510(13)

ACCUMULATED SICK LEAVE: KHRIS employers must provide sick leave in hours for the Standard Sick Leave Program. This cannot be reported in days.

ADJUSTMENTS: For KHRIS records, these can be either monetary changes to members' posted retirement records submitted initially by the Personnel Cabinet or the Agency.

BALANCING EMPLOYER: An entity who submits the monthly summary and payment for a participating employer.

BONUS: A sum of money granted or given to an employee in addition to regular pay, usually in appreciation for work done, length of service, etc. Before a bonus is paid to employees, employers should contact their ERCE representative to determine if the payment meets the definition of a bonus and will be treated as bonus payments according Kentucky Revised Statutes 61.510(13) and 78.510(13). If the payment meets the definition of a bonus and the payment(s) provided to any employee is in excess of one thousand dollars ($1,000) in a fiscal year, then the payment amount(s) are averaged over the employee's total service with the system in which it is reported.

CHANGE PASSWORD MODULE: The series of screens in ESS where a user may change the password related to his\her employer account.

CHANGE SECURITY QUESTION MODULE: The series of screens in ESS where a user may change the security question related to his\her employer account.

CONTACT PERSON: The employer designates an individual as a specific type of contact for KPPA. Contact types include: Agency Head, Human Resources, IT, Legal Contact, Payroll, and Reporting Official. More than one person may be designated as a contact type; however, one person must be designated as the Primary Contact for each employer. County and quasi-governmental also include Police Chief and Sheriff contact types. KHRIS employers also have a contact type for E-Mars.

CONTACT PERSONS MODULE: The series of screens in ESS used to add and/or edit the contact person for an employer.

CONTRIBUTION GROUP: Each employee belongs to a Contribution Group. Contribution Group is a field within the monthly report, which is used to "organize" employees into different contribution rate categories (typically based on their participation date). Contribution Group is also used to validate the contribution amounts for each employee.

CONTRIBUTION RECORD: In the detail monthly report, the contribution record provides all required information for an employee. Each employee will have at least one contribution record on the monthly report. A separate record should be submitted anytime an employee has multiple payment reasons, posting months, contribution groups, job positions or position statuses for the report month.

CREDITABLE COMPENSATION: The salary that is reportable to KPPA as defined by Kentucky Revised Statutes 61.510(13) and 78.510(13). Refer to **Chapter 1** for additional information.

DEATH NOTICE MODULE: The series of screens within ESS used to report the death of current or former employees.

DOWNLOAD MEMBER ID MODULE: The screens in ESS employers use to view and download the Member ID, SSN, Name, Participation Date and Contribution Group Category of new and existing employees.

E-CHECK: An electronic payment method requiring the ESS user to enter specific information from a paper check to set up a direct debit payment.

EDITS: A series of business rules applied to each file and then each contribution record. Records that fail the edits will be in error and have to be corrected before they can be posted to an employee's account. The entire file will reject if the number of records in error exceeds the established threshold.

ELECTRONIC FUNDS TRANSFER (EFT): An electronic payment method requiring the ESS user to enter specific information for a bank account to set up a direct debit payment.

EMERGENCY: Positions in KERS, SPRS and CERS limited to thirty (30) working days and not renewable. Employees classified under this status should not have contributions withheld from their creditable compensation.

EMPLOYER ADMINISTRATOR: The employee within the agency selected by each employer to administer the ESS users for that particular employer. This person is responsible for setting up new users and maintaining those user accounts. Employers must notify KPPA of a change in the Employer Administrator by submitting a completed **Form 7071** in order to create an account for the new Employer Administrator.

EMPLOYER CODE: A four or five-character alphanumeric code assigned by KPPA to identify each employer.

TIER 3

Contact ERCE

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EMPLOYER CONTRIBUTION RECORD LAYOUT: KPPA provides the **required file format** for employers to report using the Upload Detail File module.

EMPLOYER PAY CREDIT: The portion of employer contributions deposited into a Tier 3 member's account each month (currently 4% for nonhazardous and 7.5% for hazardous).

EMPLOYER PIN: A unique Personal Identification Number (PIN) assigned to each ESS user upon registration.

EMPLOYER REPORTING, COMPLIANCE AND EDUCATION (ERCE) REPRESENTATIVE: A KPPA employee who acts as a liaison between KPPA and the employer. The ERCE Representative provides assistance with employer reporting questions and works to ensure compliance with state and federal statutes, administrative regulations, and KPPA policies and procedures. You can use the Contact Representative link in ESS or **visit our website** to find your ERCE Representative.

EMPLOYER SELF SERVICE (ESS): Website used by participating employers for online maintenance of employer contact information, user accounts, and submission of monthly reporting and payment.

EMPLOYMENT BEGIN DATE: A date that must be entered for new hires, re-hires, changes in Contribution Groups, changes in Position Status, and changes in Job Position.

EMPLOYMENT END DATE: Represents the date an employee terminates employment, or changes Contribution Groups, Position Status or Job Position with the same employer.

ENTER REPORT DETAILS MODULE: The series of ESS screens used to enter monthly report details for each employee if the employer is not using the Upload Detail File module for the monthly report.

ERROR CORRECTIONS: For KHRIS employers, records that do not meet the 175 Edit Validation Checks identified by our internal system must be reviewed by ERCE representatives and resolved with assistance from agencies.

END OF YEAR (EOY) PENALTY: Per Kentucky Revised Statute 78.615, if a school board employer fails to file the End of Year Report for a fiscal year with KPPA no later than twenty (20) days following the completion of the fiscal year, KPPA will impose a penalty of one thousand dollars ($1,000) with an additional two hundred and fifty dollars ($250) for each additional thirty (30) day period the information is reported late.

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FILE CERTIFICATION: For employers using the Upload Detail File module to submit the monthly detail contribution report, the file must pass the validations for proper file format and proper data type in each field, within the established threshold. Once the file has passed the validations, the file is considered certified and is accepted by KPPA.

HAZARDOUS DUTY COVERAGE: An employer may elect to provide additional benefits for employees who are in a position that meets the definition of hazardous duty according to Kentucky Revised Statute 61.592. See the Hazardous Duty Coverage section in Chapter 2 for detailed information.

HEALTH INSURANCE CONTRIBUTION (HIC): Per Kentucky Revised Statutes 61.702(2)(b) and 78.5536, the additional one percent contribution due from members who begin participating with a state-administered retirement plan after September 1, 2008. The additional 1% contribution is deposited into a non-refundable account.

HEALTH INSURANCE REIMBURSEMENT: If a retired member with an initial participation date prior to September 1, 2008, has elected health insurance coverage through KPPA but later reemploys with a participating agency in a regular full-time position, the agency is required to reimburse KPPA for the single coverage health insurance contribution provided to the retiree.

INSTALLMENT PURCHASE OF SERVICE (IPS): Payments deducted from an employee's salary for the purchase of service credit per a contract between the member and KPPA.

INTERIM: Positions in KERS established for a one-time or recurring need, not to exceed nine (9) months. Employees classified under this status should not have contributions withheld from their creditable compensation.

INTERMITTENT: Position status 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. See Chapter 6 for detailed information.

INVOICE: An itemized, electronic billing or credit issued to an employer through ESS.

INVOICES MODULE: The series of ESS screens used to review and manage invoices.

MANAGE USERS MODULE: The series of ESS screens the employer administrator uses to add/edit/delete users and modify their security roles.

SELF SERVICE

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MEMBER ID: A unique identifier assigned to employees by KPPA after the first reported payroll transaction. Member ID is associated with a person and used to identify the member's KPPA account, regardless of changes in employers and employment status.

MEMBER SELF SERVICE: A website members can use to manage their account online, generate benefit and service purchase estimates, and apply for retirement.

MONTHLY PACKET: An electronic packet accessible through ESS. This packet contains various reports to inform employers of reporting errors and necessary changes to monthly reporting.

MONTHLY PACKET MODULE: The series of ESS screens used to access the Monthly Packet. See also **Monthly Packet.**

MONTHLY SUMMARY: The electronic summary of monthly contributions; this submission contains totals for the monthly report and allows for payment of the monthly contributions.

NOMINAL FEE: Compensation earned for service as a volunteer that does not exceed $500 per month. Volunteer compensation from more than one participating employer shall be aggregated to determine if it exceeds $500 per month.

OFFICE LOCATIONS MODULE: The series of ESS screens used to add and\or edit the addresses of the office locations.

PARAPROFESSIONAL: Position Status for noncertified school board employees who work in the capacity of a coach.

PARTICIPATION DATE: Participation date is when a member began paying contributions and earning service credit with KPPA. This date may be different from the hire date.

PART-TIME: Positions in KERS and CERS which may be permanent but require less than a calendar or fiscal year average of one hundred (100) hours* of work per month.

SCHOOL BOARD

For school board employees, these are positions that require an average of less than 80 hours per month over actual days worked in a school year.

PASSWORD: An ESS password is assigned to the user upon registration.
Valid ESS passwords:
- Must be between 8 and 16 characters long
- Include at least one letter

- Include at least one number
- Include at least one special character
- Are case sensitive
- Should not contain spaces

The following characters are permissible:
- Capital and lower case Aa-Zz
- Numbers 0-9
- Special characters @ # ! % $

PAYMENT ACCOUNTS MODULE: The series of ESS screens used to add and\or edit payment accounts.

PAYMENT REASON: Designates the type of reported compensation which explains fluctuations in salary and impacts service credit, eligibility for benefits and benefit calculations.

PENALTY: Per [Kentucky Revised Statute 61.675](#) and [Kentucky Revised Statute 78.625](#), if an employer fails to submit all contributions, summary, and\or payment to KPPA by the tenth (10th) of the month following the period being reported, then the employer is subject to a fine of the interest on the delinquent contributions at the actuarial rate adopted by the board compounded annually, but not less than one thousand dollars ($1,000).

PEND STATUS: For KHRIS employers, a record received from the Personnel Cabinet monthly file with a monetary correction made by KPPA. This record must be corrected by the Personnel Cabinet through KHRIS payroll and is considered to be in a Temporary Status awaiting the correction via the next monthly file.

PENDED TRANSACTION REPORT: For KHRIS employers, this report is included in the Monthly Packet. The report identifies that KPPA made an adjustment to a member's record. The record is in a Pend (Temporary) status awaiting the corrected record on the next Monthly Report. The record will remain on the report until the employer performs some type of action with the Personnel Cabinet.

Pension Spiking: Occurs when a retiring member received an increase in their creditable compensation by more than 10% during the retiring member's the last five (5) fiscal years of employment. If there were any such increases in the retiring member's creditable compensation, KPPA then must evaluate whether the increase(s) meet certain statutory requirements. Refer to [Chapter 2](#) for detailed information.

POSITION STATUS: Used to determine retirement contribution eligibility. Salary and contributions are to be reported for regular full-time positions.

POSTING MONTH: Reflects which month and year the salary record was paid to a member for monthly retirement service credit.

NOTE Report and Posting Month will normally be the same date unless adjustment wages have been reported to correct the original salary sent by the agency.

PRIOR PERIOD ADJUSTMENT: Prior Period Adjustments are identified as transactions submitted to correct errors in a previously submitted transaction. The Posting Month indicates the month to which the adjustment is to be applied.

PROBATIONARY: Positions in CERS not to exceed twelve (12) months that must be universally administered by the employer for new employees. These positions are not renewable for the same employee, unless the employee has not been employed with the participating employer for a period of at least twelve (12) months. Employers must have a probationary policy on file at KPPA in order to report employees in this position

REGULAR FULL TIME (NON SCHOOL BOARD): Positions in KERS, CERS, and SPRS that average one hundred (100) or more hours per month over a calendar or fiscal year.

SCHOOL BOARD

REGULAR FULL TIME (SCHOOL BOARD): Noncertified school board employees are required to average eighty (80) or more hours per month over actual days worked within a school year. Generally, if the employee averages 4 or more hours per day, they should be considered Regular Full Time.

REGULAR FULL TIME LESS THAN 12 MONTHS: Positions in KERS or CERS that are held by regular full-time employees who do not work 12 months per year but are paid over 12 months, excluding classified employees of local school boards. Some examples include head start employees employed by community action agencies and school nurses employed by local health departments.

REPORT MONTH: Reflects the month and year that the salary record was reported to KPPA for retirement purposes. An employer contribution file must only contain records for one unique report month.

REPORTING EMPLOYER: A Reporting Employer is an entity who submits the monthly contribution detail report for a participating employer.

REPORTING OFFICIAL: The Reporting Official is the person designated by each employer as the primary contact for KPPA .

RETIREE SELF SERVICE: A website retirees members can use to manage their account online and submit their health insurance application online during open enrollment.

RETROACTIVE PAYMENT: Transactions submitted for Posting Months prior to the Report Month where no previous reporting has been submitted.

SEASONAL: Position status in KERS and CERS which is temporary in duration, which coincide in duration with a particular season or seasons of the year and which may recur regularly from year to year and is limited to nine (9) months, with the exception of noncertified school boards which cannot exceed six (6) months.

SECURE EMAIL PORTAL: A secure email solution that protects confidential information exchanged between KPPA and participating agencies. The portal uses strong encryption to safeguard the confidentiality of email communications and greatly reduces the risk of costly disclosures that could put our members at risk of identity theft and other fraudulent activity. The Secure Email Portal User Manual outlines clear, step-by-step instructions for accessing and using the portal.

SECURITY ROLES: Security Roles are assigned to ESS users to limit the accessibility of information available to the user.

SEMINARS MODULE: Allows employers to register for seminars in ESS. Detailed information for each seminar including the session, topic to be discussed, date and time is displayed.

SEVERANCE PAY: Additional pay given to an employee when his/her employment ends.

STATE FUNDED EXPENSES: Annual expenses paid to Jailers, Sheriffs, and County Judge Executives for performance of duties, for which employer contributions are billed to individual county employers.

SUBMIT MONTHLY SUMMARY MODULE: The series of ESS screens used to submit the monthly summary and payment for the monthly report. See also Monthly Summary.

TEMPLATE: In order for an employer to submit the monthly detail report, a template is generated each month and available in ESS once the previous month's report has been posted. In Upload Detail File, a template will be created every monthly once the file has been certified by KPPA to allow the employer to upload the (next month's) detail file. In Enter Report Details a template is created every month containing the detail of the previous

reporting to avoid requiring the employer to manually enter all employee information. This allows the employer to review the contribution details and only update those records where a change needs to be reported.

TEMPORARY: Status for position in KERS which may not exceed nine (9) months, and positions in CERS not to exceed twelve (12) months and not renewable.

TERMINATION DATE: Last date of employment with an agency.

UPLOAD DETAIL FILE MODULE: The series of screens in ESS that will be used to upload the monthly detail contribution file for employers who are reporting via an electronic file. See also **Employer Contribution Record Layout**

UPLOAD END OF YEAR (EOY) FILE MODULE: The series of screens in ESS used for a school board employer to upload the EOY report to KPPA 20 days after the end of the fiscal year.

USER: A person the employer assigns to access ESS. Each user will be assigned a security role by the Employer Administrator. In order to be set up as a user, the person must first be designated as a contact person.

VOLUNTEER: An individual who, freely and without pressure or coerction, performs hours of service for an employer participating in one of the systems administered by KPPA without compensation for those hours of service, except reimbursement of actual expenses, payment of a nominal fee to offset the costs of performing the services, or both. A retired member cannot become an employee, leased employee, or independent contractor for the employer for which he or she is performing the services for a period of 12 months following the retired member's most recent retirement date.