



2025 (Senate Bill 10): Amended KRS 78.5536 extending the employee health insurance contribution to include members who began participating in the system on or after July 1, 2003. Learn more about the [DOLLAR CONTRIBUTION CHANGES](#).

## REPORTING OF DOLLAR CONTRIBUTION FAQ



What contribution group codes should be used for reporting Dollar Contribution employees on the monthly report?



The Contribution Group of Dollar Contribution should be used for reporting eligible employees. Employers reporting by file will use the contribution group code of **CNHZDC** (Non-Hazardous) or **CHZDC** (Hazardous). Please see the Employer Contribution Record Layout for additional information on the contribution group codes or contact your ERCE representative.



When do I need to begin reporting employees with the new contribution group of Dollar Contribution?



The August 2026 report will be the first report which should reflect these employees as Dollar Contribution group and include the 1% (non-hazardous) or 2% (Hazardous) HICON.

The HICON requirements will be effective for records reported when paid on August 1, 2026, Report Month and after. Employers will continue to report wages and contributions when paid as currently required. Please contact your ERCE Representative concerning any monthly reporting questions.



How will I know which employees are eligible for the Dollar Contribution group?



Until updates can be fully applied in START, ERCE representatives will be notifying employers of which employees are eligible for Dollar Contribution. This information will start going out to employers in early May and will be provided in an Excel spreadsheet sent via secure email.



Are employees who are changing to the Dollar Contribution group receiving notification from KPPA?



Yes, our Member Services Division is contacting members who are eligible for Dollar Contribution based on their participation dates. This includes notifying of the contribution increase for employee health insurance contributions and advising those that may qualify for an exemption due to hire date.



An employee has asked for help verifying their hire date so they can be exempted from the contribution increase? What documentation is needed for this process?



Eligible members work directly with our Members Services Division to complete verification of hire dates. As an employer you may be asked to help with this process by providing the following:

- Form 4225-Verification of Past Employment completed by an approved reporting official.
- Personnel records validating hire date.
- A letter on employer letterhead signed by an approved reporting official.
- Employment contracts showing the hire date.
- Check stubs from pay periods before July 2003.