

Kentucky Retirement Systems



KASBO Conference

November 20, 2009



KRS Overview

KRS has:

- 327,925 Total Members
- 82,247 Recipients
- 1,786 Reporting Employers


KRS pays over:

- \$1.3 Billion to 82,247 recipients annually

KRS maintains:

- 12 Million Imaged Documents in Recipient/Member/Employer Files

In 2008, KRS received 272,000 calls, processed 97,000 total calculations and met with 12,000 office visitors




Today's Processes

30 year old legacy system

- Limited Functionality
- No Self Service
- Excludes pertinent employer reporting information
- Requires submission of numerous manual forms
- Results in delays in posting contributions and service credit
- Creates redundant work and additional research for employers and KRS
- Requires extensive audit of member accounts
- Delays processing of refunds, retirement applications, and service purchases

Recent changes (KRSPay4) have helped to address some security concerns, but have not lessened other issues




The START Vision



- Improve Customer Service
 - Enhanced reporting methods
 - Web-based Self-Service for Employers/Employees/Retirees
- Increase Productivity/Efficiency
 - Increased automation
 - Meet Increasing Volumes
- Prepare for the Future
 - Growth in the number of members and retirees
 - Increasingly complex benefit calculations
 - Legislative and Actuarial Changes



START Employer Reporting





Changes to Employer Reporting

Format of information reported to KRS each month	Method through which that information is submitted to KRS	Additional detail required related to an individual's employment activity


START

NEW CONCEPTS IN MONTHLY REPORTING



New Concepts in Monthly Reporting 

<p>Member ID</p> <ul style="list-style-type: none"> Assigned by KRS after an employee is initially reported Self service feature: Download Member ID 	<p>Employer Code</p> <ul style="list-style-type: none"> Same as the current unit number for many employers Some employers will be assigned a new employer code The new code will be sent via email
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New Concepts in Monthly Reporting 

Contribution Groups

The employer will assign each employee to a contribution group

Used to validate rates reported to KRS for employee and health insurance contributions

Contribution Group Categories


- Without Health Insurance
- With Health Insurance Contribution
- Retired Reemployed
- Employer-only contributions
- Non-Participating

New Concepts in Monthly Reporting 

Non-Participating Contribution Group

<p>Verification of employment via employer reporting</p>	<p>Greatly reduces need for Form 4225 in the future</p>	<p>For positions that have a statutory limit</p> <ul style="list-style-type: none"> Examples: Seasonal, Temporary and Emergency START will provide notification the position has reached the appropriate limit.
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New Concepts in Monthly Reporting



Example:
John Doe is hired by City of Somewhere in a seasonal position – limited to 9 months by statute.

City of Somewhere will include John on their CERS report but will **NOT** withhold retirement contributions.

After the 8th month that John is reported in a seasonal position, START will notify the employer that John's seasonal status will reach the limit in the next (9th) month.

➔

The City should make necessary changes for John's position and classification.

➔

If John wishes to purchase this service at a later date, no additional verification from the employer would be required.


New Concepts in Monthly Reporting



Part-Time Positions

- For part-time positions, START will validate averaging requirements
- Employers will no longer have to average their part-time employees each month for compliance
- START will provide notification when an employee starts to average 100 hours per month
- This will also provide notice to employers if part-time employees are dually employed

New Concepts in Monthly Reporting



Report Month

The period for which the employer is submitting the contribution report

Example: The report due on December 10, 2009 is the November 2009 report, so the Report Month would be "November 2009".

Posting Month

The period to which the transaction is to be applied

Usually the same as Report Month

- Exceptions: 1st and last month of employment, prior period adjustments and retroactive payments


Determines the Member Participation Date



START

START


DETAIL INFORMATION REQUIRED IN MONTHLY REPORTING



START

Demographic Information

- SSN/Member Id
- First/Middle/Last Names
- Address Information
- Date of Birth/Gender
- Marital Status



START

Employment Information

Contribution Group

- Validates employee contribution, health insurance contribution and employer contribution

Job Position

- Enables compliance with IRS
- Determines appropriate service credit
- E.g. Magistrates, City Council, Mayor
- Only *approved* hazardous positions available to be reported

Position Status

- Determines contribution eligibility
- Regulates statutory limits for non-participating positions
- Eliminates need to complete Form 2020, Advice of Personnel Action, prospectively

Employment Information START

Employment Begin Date
 • Initial hire date or re-hire date

Employment End Date
 • Date member terminated, changed contribution groups (due to position status change), or changed Job Position

Employment End Reason
 • Provides general reason why employment end date was provided

Eliminates manual completion of Form 2020, Advice of Personnel Action

Employment Information START

Contract Days
 • Boards of Education only

Scheduled Hours Per Day

Days worked > 0
 • Non school board employees who work less than 12 months per year

Payroll Frequency
 • Weekly
 • Bi-Weekly
 • Semi-Monthly
 • Monthly

Contribution Information START

Salary

Payment Reason
 • Explains fluctuations in salary
 • Enables compliance with statutes for certain pay types
 • E.g. Bonus payment
 • Eliminates need for supplemental report

Increment Date
 • Required for State Payroll Reporters

Type of Rate of Pay/Rate of Pay
 • Eliminates need for Form 4250, Current Rate of Pay

Estimated Additional Comp.
 • Incentive, KLEPPP, special duty, longevity, etc.

Employer Paid ERCON

Contribution Information START


- Pre-TAX EECON
- Post-TAX EECON
 - Post-Tax IPS and adjustments prior to 8/82
- Pre-TAX HICON
- Salary that Exceeds the IRS Limit
- State Funded Expenses Billing Employer Code
 - Required if state funded expenses are reported

Leave Information START

- Accrued Sick Leave Hours
 - Employers participating in the Standard Sick Leave Plan
 - Required if an employment end date is reported
- Accrued Sick Leave Days
 - Employers participating in the Alternate Sick Leave Plan
 - Required if an employment end date is reported
- Sick Leave Accrual Rate
 - Required if value reported for sick leave hours or days

MONTHLY REPORTING START

START Monthly Reporting



Detail

- Submit File
- Enter Details via web self service


Summary

- All employers will use web self service to validate detail report totals and submit summary

Payment

- Auto-draft Feature: EFT or E-Check
- Reduces risk of contributions not arriving at KRS by 10th of the month.

Employer Reporting Via File



Recommended for employers with > 100 employees

File created in prescribed format


- Needs to be developed by your IT staff/3rd party payroll provider

One file for all employers

Upload Detail File

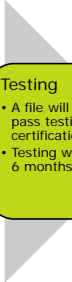
- Submitted via ESS upload

Employer Contribution Record Layout



Development

- Download at <http://kyrst.ky.gov/Employer/Reporting>
- Layout has been updated since initial release
- *The most current version is 1.3*
- Initial development period will last at least 6 months from release of file layout



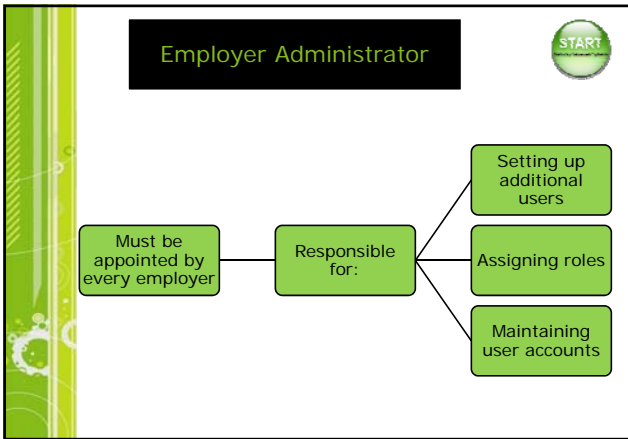
Testing

- A file will be required to pass testing and certification procedures
- Testing will last at least 6 months



START

EMPLOYER SELF-SERVICE





Office Locations and Contact Persons

Office Locations:

- Employer may add, edit or delete for main and/or satellite office locations

Contact Persons:

- Employer may add, edit or delete contacts and their assigned location and role

START

Invoices

Invoices are generated for all credits/debits

Employers may choose to pay invoices at any time (outside of submit monthly summary)

- EFT or eCheck

Employers may view all invoices: paid and unpaid

ER PIN required for these transactions

START

Invoices

Recent Invoices: Filter By:

Date Range: to Show All Invoices

Invoice	Invoice Type	Date	Due Date	Amount	Status
<input type="checkbox"/> 000005	Service Purchase Omitted	02/18/2009	03/18/2009	\$1,775.32	Unpaid
<input type="checkbox"/> 000004	Service Purchase Sick Leave	02/18/2009	03/18/2009	\$2,000.00	Unpaid
<input type="checkbox"/> 000003	Health Insurance Reimbursement	01/15/2009	02/15/2009	\$208.75	Paid
<input type="checkbox"/> 000002	Service Purchase Sick Leave	12/05/2008	01/05/2009	\$3,040.00	Paid
<input type="checkbox"/> 000001	Health Insurance Reimbursement	11/15/2008	12/15/2008	\$112.50	Paid

START

Submit Monthly Summary

Submitted for each employer

Payroll Summary • Provides breakdown of regular contributions, state funded expenses, adjustments and IPS

Invoices • List of outstanding invoices eligible to be paid

Electronic Payment • EFT or eCheck
• ER PIN required for this transaction

Regular Contributions						
KERS Non-Hazardous	Salary	Employee Contributions	(%)	HI Contributions	(%)	Employer Contributions
KERSNHZ w/o Health Insurance	4635.07	278.10	(5.00)	278.10	(0.00)	278.10
KERSNHZ w/ Health Insurance	4635.07	278.10	(6.00)	278.10	(1.00)	278.10
KERSNHZ Retired/Rehired	4635.07	278.10	(0.00)	278.10	(0.00)	278.10
KERSNHZ Non-Participating	4635.07	0.00	(0.00)	0.00	(0.00)	0.00
Total Contribution for KERSNHZ:		\$0.00		\$0.00		\$0.00

State Funded Expenses			
Retirement Plan	Salary	Employee Contributions	HI Contributions
KERS Non-Hazardous	4635.07	278.10	278.10
Total State Funded Expenses:		\$0.00	\$0.00

Adjustments			
Retirement Plan	Employee Contributions	HI Contributions	Employer Contributions
KERS Non-Hazardous	100.00	10.00	177.50
Total Adjustments:	\$100.00	\$10.00	\$177.50

Other Contributions	
IPS Amount	0.00

Buttons: Calculate, Save, Reset

Payment Accounts

Employers may add, edit and delete bank accounts

May have multiple accounts set up	Requires ER PIN
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Monthly Packet

Electronic packet generated each month

Email notification when packet is available to be viewed

Contains reports and requests

- IPS reports
- Missing member forms
- Reports generated from edits process
- E.g. missing termination dates

Monthly packet is also accessible from the monthly summary

START

Download Member ID

3 Options:

- Retrieve Only New Members download only
- Retrieve Members by Date – download only
- Retrieve Members by SSN

➔

Results contain the following:

- Member ID
- SSN
- Name
- Contribution Group Category
- Participation Date

START

Retrieve Members by SSN

SSN:

Member ID	SSN	Name	Contribution Group Category	Part Date	Create Date	Download Date
712266	345-34-5345	Sotiano, Alfonso	w/ Health Insurance	01/01/2009	02/18/2009	⬇

START

Death Notice & Seminar Registration

Death Notice

- Allows employers to easily report deaths
- These reports keep employers from having to call KRS to report a death

Seminar Registration

- Allows employers to register for KRS seminars
- Can register several different attendees at once

