

Adjustments

When Do I Make Adjustments?

- **When you need to increase wages that have already been reported**
Some reasons for an increase:
 - reported incorrect pay
 - reporting additional pay
 - reporting missed pay
 - reporting leave payouts
- **When you need to decrease wages that have already been reported**
Some reasons for a decrease:
 - reported incorrect pay
 - withheld from leave payouts by mistake
- **When you need to change contribution amounts because of a service purchase**
- **When you need to make new contributions that were not made while mistakenly waiting to begin employee's membership**
- **When you need to refund all employee contributions**
Some reasons for refunding all contributions:
 - employee is earning less than 50% of pay
 - employee is not working in a KPERS-eligible position (non-covered)

Make an adjustment as soon as the error is discovered. KPERS may discover the error and contact you, or you may find it through your own audit. Pay any arrearages for unpaid contributions.

How Do I Make Adjustments?

Report adjustments in the employer web portal (EWP). [Quick Vid: Adjustments](#)

Who Pays for Adjustments

For arrearage period that is 6 months or less		Who Pays?	
		Employee	Employer
Employee	Quarter in which error was found	yes	no
	Remaining quarter(s)	optional ¹	yes/no ²
Service Purchase	Entire period	yes	no
Employer	Entire period	no	yes

1. If employee chooses to pay remaining quarter(s), he or she will earn service credit for it/them.
2. If employee chooses to NOT pay remaining quarter(s), his or her employer will pay it/them and employee will earn service credit only for quarter in which error was found.

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Note: Employees always pay adjustments related to service purchases for entire period they were owed.

Example

An employee began working on February 4, 2018. On May 24, 2018, the employer realized the employee should have been a member and should have started contributing to KPERs from his or her hire date in February. This arrearage is less than 6 months.

Arrearage period is 6 months or less

Quarters of Service		Who Pays Employee Contribution?
Q1	12/19/2017 to 03/26/2018 Feb 4 (hired) to Mar 26 (end Q1)	Employee has option
Q2	03/27/2018 to 06/18/2018 May 24 (error discovered) Arrearage was 3 months, 20 days (Feb 4 - May 24)	Employee must pay arrearage
Q3	06/19/2018 to 09/24/2018	Employee pays
Q4	09/25/2018 to 12/17/2018	Employee pays

The member has the option to pay the arrearage in the first quarter but must pay the arrearage in the second quarter since error was found in the second quarter. If member does not pay, he or she would not receive service credit for first quarter.

Employer must pay employer's share for entire period. Enter a separate adjustment on the employer portal for each calendar year of the arrearage. For 2014 and before, contact KPERs.

Note: Adjustments change the member record. They're **NOT** payments. After an adjustment is submitted on the EWP, KPERs processes the adjustment and generates an invoice. You must then **make a payment** using the EWP payment process.

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For arrearage period that's more than 6 months, employer pays employee AND employer contributions

Contribution type	Period	Who Pays?
Employer contribution	Entire period of arrearage	Employer*
Employee contribution	Entire period of arrearage	Employer
Additional costs	Interest	Entire period of arrearage
	Actuarial cost of retirement benefit	If employee retires within 24 months
		Possibly Employer
		Employer

*Employee will receive service credit only. Contributions will be deposited into the KPERS trust fund but not credited to the employee's account.

Example

An employee began working on February 4, 2018. On August 30, 2018, the employer realized the employee should have been a member and should have started contributing to KPERS from his or her hire date in February.

Arrearage more than 6 months		Who Pays Employee Contribution?
Quarters of Service		
Q1	12/19/2017 to 03/26/2018 Feb 4 (hired) to Mar 16 (end Q1)	employer pays
Q2	03/27/2018 to 06/18/2018 All of Q2	employer pays
Q3	06/18/2018 to 09/24/2018 Aug 30 (error discovered) Arrearage was 6 months, 27 days (Feb 4 - Aug 30)	employer pays 06/18 - 8/30 employee pays 08/31 - 09/24
Q4	09/25/2018 to 12/07/2018	employee pays

Since the arrearage is more than 6 months, the employer is required to pay both employee and employer contributions for each pay period between Feb 4 and Aug 30.

Interest may be assessed for arrearage period. Employer must pay actuarial cost of retirement benefit if member retires within 24 months.

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Common Problems	Prevention
Employee's position went from non-covered to covered but employee was never moved to covered payroll. Contributions were not made.	Closely monitor employee hours. When hours and other covered-position criteria are met (non-school/school), move employee to covered payroll and enroll him or her in KPERs.
An employee starts a service purchase agreement, but additional contributions were never deducted. Contributions were not made.	Remember to change payroll deduction to increase contribution amounts when employees do a service purchase (buyback).
You submit an adjustment on the EWP. But you still received an invoice.	The adjustment is made to correct the record. You still pay for the arrearage. You'll receive a credit if you are due a refund.

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