

INFORMATIONAL CIRCULAR NO.: 21-P-004

DATE: September 24, 2020

SUBJECT: New Benefit Plan Type/Benefit Plan/Deduction Code for KPERS-Furloughs

EFFECTIVE DATE: August 23, 2020

OAR CONTACT: Earl Brynds (785) 296-5376 (earl.brynds@ks.gov)

APPROVAL:

SUMMARY: New Benefit Plan Type/Benefit Plan/Nontaxable Deduction Code to Record KPERS Contributions for Employees on Furlough

Although there has not been a need for widespread furloughs as a result of the ongoing pandemic, a few State agencies have implemented limited furloughs due to funding limitations. In processing furlough hours for those agencies, Statewide Payroll and KPERS have identified the need for additional configuration in SHARP to meet the KPERS contribution collection and reporting requirements per Kansas statutes.

Pursuant to K.S.A. 74-49, employees placed on furlough without pay continue to receive the benefit of KPERS contributions for the duration of the furlough. During the furlough period, the employer is required to pay the combined employee and employer contributions for the specified KPERS rates on behalf of the employee and report to KPERS those contributions with the amount of compensation that would have been paid to the employee had the employee not been placed on furlough.

Therefore, to meet KPERS requirements, a new KPERS-Furloughs deduction code, benefit plan type and benefit plan will be added to SHARP. The use of the current furlough time reporting code/earnings code (FU1) will trigger the processing of the new benefit plan type/benefit plan/deduction code in SHARP. For a SHARP employee impacted by an agency furlough, the agency will need to add the new 7F benefit plan type to the Retirement Plans page for the employee. The KPERS-Furlough codes will be added to SHARP effective for the payroll period beginning August 23, 2020, ending September 5, 2020, paid September 18, 2020.

The new KPERS-Furloughs benefit plan type, benefit plan and nontaxable (employer only) deduction code are:

PLAN TYPE	DEDUCTION CODE	DESCRIPTION	SHORT DESCRIPTION	BENEFIT PLAN	BENEFIT PLAN DESCRIPTION
7F	RETREF	KPERS-Furloughs	KPERS	PF	KPERS Retirement Code PF

The PF Benefit Plan will be established with a rate of 20.23% which is derived from the addition of the current employee rate (6%) plus the current employer rate for regular KPERS benefit plan P members (14.23%). Additional Furlough benefit plans will be established if needed for other KPERS member types on furlough with the different KPERS rates. If required to be established, these will be communicated via future informational circulars.

The Office of Accounts and Reports, Payroll Systems Team is responsible for making the necessary updates to the SHARP payroll system. Regents' institutions are responsible for ensuring that these changes are reflected in their individual systems.