

Kansas Retirement System Rehired Retiree Deduction Setup

Effective January 1, 2018, KPERS retirees who go back to work for a KPERS employer (i.e. school district) no longer have an earnings limit. The KPERS retirees hired by the school district will not make KPERS contributions, earn more KPERS service, or increase their monthly benefit. However, the school district will be required to pay working-after-retirement contributions (applicable for covered positions only). The employer contribution rate for the working-after-retirement contributions is equal to the current statutory rate until the rehired retiree earns \$25,000, in which case, the rate increases to 30%. The rate change to 30% starts with the first pay period after the employee reaches \$25,000.

In order to keep track of how much rehired retirees made, generate the Earnings Report by Employee prior to a payroll to determine if any rehired retirees have earned more than \$25,000 in compensation and so the employer must now pay the increased contribution rate of 30% for the rehired retiree fee. When generating the Earnings Report by Employee, specify to include all check dates in the current calendar year, and select the applicable pay codes and all the rehired retirees.

Rehired Retiree Fee Setup:

The rehired retiree fee is calculated and paid as part of each payroll and remitted to KPERS with the regular retirement payment. Because the rehired retiree fee should not be included on the Kansas Retirement Report, a separate deduction must be set up for the rehired retiree fee.

Complete the following steps to set up the rehired retiree fee deduction within the School Accounting System:

1. In the Deduction File, add a new deduction for the rehired retiree fee. See **Diagrams A** and **B**.

In this example, object 232 is used in the Expense Mask for the rehired retiree fee; you will want to use the correct object piece for your district.

The rehired retiree fee can have the same Payee as the regular retirement deduction in order to submit one check to the Retirement Office with each payroll.

Selected	ID	Description	Type	State Re System
<input checked="" type="checkbox"/>	FIT	Federal Income Tax	Federal Income Tax	
<input checked="" type="checkbox"/>	FUTA	Federal Unemployment Tax	Federal Unemployment Tax	
<input checked="" type="checkbox"/>	MEDICARE	Medicare	Medicare	
<input checked="" type="checkbox"/>	SITKS	Kansas State Income Tax	State Income Tax	
<input checked="" type="checkbox"/>	SOCSEC	Social Security	Social Security	
<input checked="" type="checkbox"/>	SUTAKS	Kansas Unemployment	State Unemployment Tax	
<input checked="" type="checkbox"/>	WCKS	Kansas Workers Compensation	Workers Compensation	

Selected	ID	Description	Type	State Re System
<input checked="" type="checkbox"/>	ADD	Additional Rate	Add	
<input checked="" type="checkbox"/>	ADSICKBANK	Admin Sick Leave Sick Bank	Add	
<input checked="" type="checkbox"/>	BUS	Bus Driver Sub	Add	
<input checked="" type="checkbox"/>	C01	Contract 1	Contract	
<input checked="" type="checkbox"/>	C02	Contract 2	Contract	
<input checked="" type="checkbox"/>	C03	Contract 3	Contract	
<input checked="" type="checkbox"/>	C04	Contract 4	Contract	
<input checked="" type="checkbox"/>	COOK	Cook Sub	Add	
<input checked="" type="checkbox"/>	CUST	Custodian	Add	
<input checked="" type="checkbox"/>	DED	Miscellaneous Deduction	Deduction	
<input checked="" type="checkbox"/>	ELSUB	Elementary Sub	Add	
<input checked="" type="checkbox"/>	EXTRA	Extra Curricular	Add	
<input checked="" type="checkbox"/>	FAM	Family Leave	Add	
<input checked="" type="checkbox"/>	HOLIDAY	Holiday	Add	
<input checked="" type="checkbox"/>	JRSUB	Junior High Sub	Add	
<input type="checkbox"/>	MILEAGE	Mileage	Add	
<input checked="" type="checkbox"/>	MISC	Miscellaneous Add	Add	

Diagram A

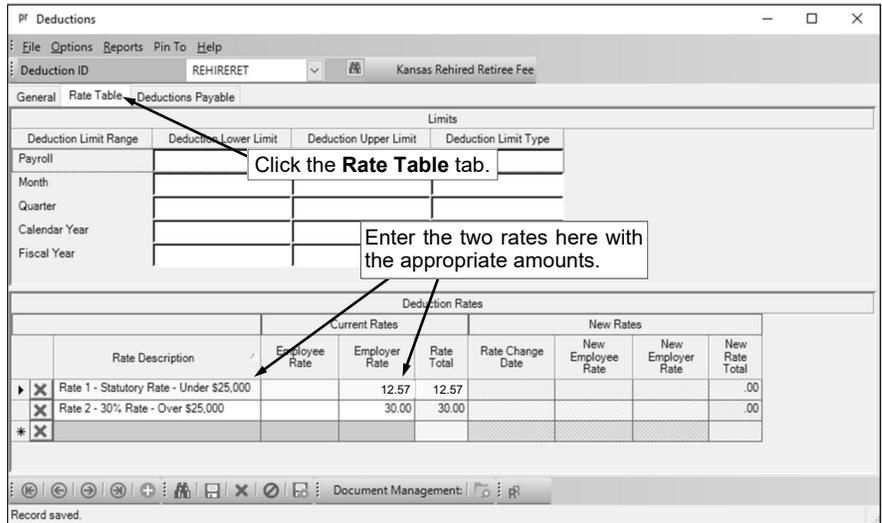


Diagram B

- In the Employee File, add the rehired retiree fee deduction for each applicable rehired retiree and specify to use the appropriate rate. See Diagram C.

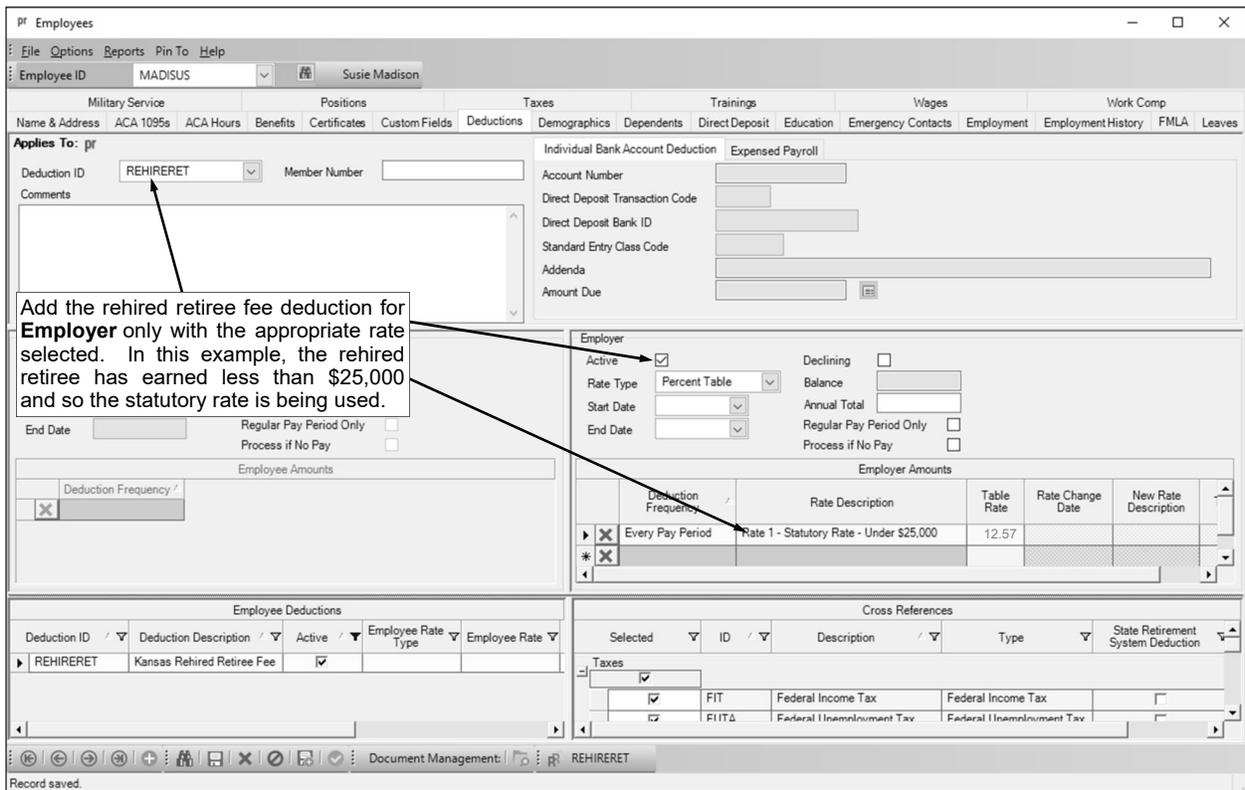


Diagram C