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 <u>not</u> 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:

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School ID Number		MEDICARE	Medicare	Medicare		-				
Payables Mask XX 4/1013		SITKS	Kansas State Income Tax	State Income Tax		-				
Expense Mask XX XXXX 232 XXX		SOCSEC	Social Security	Social Security		-				
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		ELSUB	Elementary Sub	Add		-				
	<u> </u>	EXIRA	Extra Curricular	Add		-				
Report Options		FAM	Family Leave	Add		-				
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1. In the Deduction File, add a new deduction for the rehired retiree fee. See **Diagrams A** and **B**.

Elle Options Reports Pin To Help Deduction ID REHIRERET Image General Rate Table Deductions Payable Deduction Limit Range Deduction Upper Limit Deduction Limit Type Payroll Click the Rate Table table Deduction Limit Type Payroll Click the Rate Table table Click the Rate Table table Month Image Image Image Calendar Year Enter the two rates here with the appropriate amounts. Image Deduction Rates Image Image Image Rate Description Endoyee Rate New Rate Rate 1- Statutory Rate - Under \$25,000 12,57 12,57 Image X Rate 1- Statutory Rate - Under \$25,000 30.00 30.00 Image Image	pr Deductions								-	×
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2. 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**.

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Eile Options Reports Pin To Help									
Employee ID MADISUS V 🕅 Susie Madison									
Military Service Positions T	axes Trainings Wages Work Comp								
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