



KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

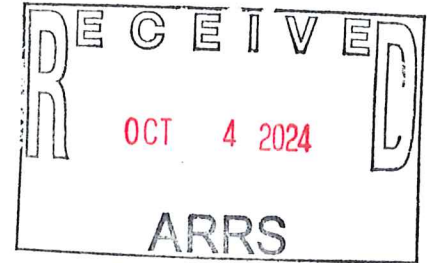
1260 Louisville Road • Frankfort, Kentucky 40601
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



Kentucky Public
Pensions Authority

October 3, 2024

Senator Stephen West, Co-Chair
Representative Derek Lewis, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
083, Capitol Annex
Frankfort KY 40601



Re: 105 KAR 1:142. Limitations and exclusions on creditable compensation in the last five fiscal years of service.

Dear Co-Chairs West and Lewis:

After further consideration of 105 KAR 1:142, the Kentucky Public Pensions Authority determined a few minor language changes were needed and updates were needed to the Materials Incorporated by Reference. Therefore, KPPA proposes the attached agency amendment to 105 KAR 1:142.

Sincerely,

Jessica Beaubien

Jessica Beaubien, Policy Specialist
Kentucky Public Pensions Authority
1270 Louisville Road
Frankfort, KY 40601

AGENCY AMENDMENT

**FINANCE AND ADMINISTRATION CABINET
Kentucky Public Pensions Authority**

105 KAR 1:142. Limitations and exclusions on creditable compensation in the last five fiscal years of service.

Page 4.

Section 3(2)(a)

Line 10

After "(2)(a)", add "In order to indicate", delete "If the employer believes".

Page 5.

Section 3(2)(a)3.

Line 10

After "advancement,", add "to verify", delete "if the employer believes".

After "that", add "a", delete "any".

Page 14.

Section 7(1)(a)

Line 9

After "Advancement",", add "September", delete "June".

Page 14.

Section 7(1)(b)

Line 10

After "Amounts",", add "September", delete "June".

Instructions for Completing Form 6481
Employer Request for Post-Determination of Bona Fide Promotion or Career Advancement

If you believe the amount of the creditable compensation or other account information on the Form 7112 you received is incorrect, please contact an ERCE representative at 1-888-696-8810

The Form 6481 is used to assist the agency in determining whether an increase in an employee's creditable compensation greater than 10% is the result of a bona fide promotion or career advancement as defined below.

IMPORTANT:

- You must complete the Form 6481 **in its entirety** and provide supporting documentation, e.g., job descriptions, hourly or salary wage change documentation, employee grade level changes and personnel action forms.
- Failure to complete the Form 6481 in its entirety and provide supporting documentation may result in a determination that any increase in creditable compensation greater than 10% WAS NOT the result of a bona fide promotion or career advancement.
- A completed Form 6481 must be submitted to the Kentucky Public Pensions Authority within thirty (30) calendar days of the date of notice on the Form 7111 - Employer Notification of Pension Spiking.
- Failure to timely submit the Form 6481 could result in waiver of the right to provide evidence that the increase in creditable compensation was due to a bona fide promotion or career advancement and you will be responsible for paying the actuarial cost.
- If you do not provide an explanation or documentation, and no reporting information needs corrected, you will receive an invoice for the actuarial cost.
- You do not have to submit the Form 6481 if there was no bona fide promotion or career advancement.

"Bona fide promotion or career advancement" means:

1. A professional advancement in substantially the same line of work held by the employee in the four (4) years immediately prior to the final five (5) fiscal years preceding retirement or a change in employment position based on the training, skills, education, or expertise of the employee that imposes a significant change in job duties and responsibilities to clearly justify the increased compensation to the member; See KRS 61.598(1)(a); and
2. Includes any increases in creditable compensation for all employees in a specified class due to an increase in rate of pay authorized or funded by the legislative or administrative body of the employer, or due to an increase in rate of pay mandated in a collective bargaining agreement approved by the legislative body of the employer. See 105 KAR 1:001(14)(b)

The following are **not** bona fide promotions or career advancements without evidence of career advancement or change in position based on training, skills, education, or expertise that imposes a significant change in job duties:

- Overtime or compensatory time for which the employee was paid (except for lump sum payment of compensatory time paid at termination). The reason the employee worked overtime or compensatory time is not relevant;
- An increase in the number of hours the employee worked per day or number of contract days worked per year; and
- Payment for alternate sick leave.

This form should have the employer's name, employer's code, employee's name, and employee's member ID prefilled.

This statement is removed

Section 1. Employee Information

New Hire/Rehire - Current Employee. Mark the employee status during the fiscal year(s) of the increase in creditable compensation in question in which the promotion or career advancement took place.

Change/Hire Date. The date of the event that you believe is the date the bona fide promotion or career advancement occurred.

Section 2. through Section 5.

Follow the instructions as provided in those Sections.

Section 6: Certification.

The certification data field must be completed by the Agency Head or designee.



KENTUCKY PUBLIC PENSIONS AUTHORITY

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Phone: (502) 696-8800 • Fax: (502) 696-8822 • kyret.ky.gov



Print Form

Form 6481

6/2024
9/2024

Employer Request for Post-Determination of Bona Fide Promotion or Career Advancement

You should submit this form if you have received notice from the Kentucky Public Pensions Authority of its determination of additional actuarial costs resulting from annual increases in the employee's creditable compensation greater than ten percent (10%) over the employee's last five (5) fiscal years of employment, and you want to request that the Kentucky Public Pensions Authority make a determination as to whether or not the annual increases were attributable to a bona fide promotion or career advancement in accordance with KRS 61.598, 105 KAR 1:001, and 105 KAR 1:142.

If the Kentucky Public Pensions Authority determines that the annual increases were not attributable to a bona fide promotion or career advancement, the employee's last participating employer will be required to pay any additional actuarial costs resulting from annual increases in the employee's creditable compensation greater than ten percent (10%) over the employee's last five (5) fiscal years of employment.

Last Participating Employer Information

Employer:	Employer Code:
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Name of Employer Where Promotion or Career Advancement Occurred

Employer:	Employer Code:
-----------	----------------

Section 1: Employee Information

At the time of the increase, the employee was: (Please check one) <input type="checkbox"/> Not an employee <input type="checkbox"/> A New Hire/Rehire <input type="checkbox"/> A Current Employee	Member ID:
Name:	Change/Hire Date: (list all applicable dates)

Section 2: Predeterminations pursuant to 105 KAR 1:142 Section 3(2)(a)2.

If you **have a predetermination**, complete the certification in this section and skip to Section 6.
If you **do not have a predetermination**, skip this section and proceed to Section 3.



If you have already received a determination from the Kentucky Public Pensions Authority that the employee's change of position or hiring would constitute a bona fide promotion or career advancement, you must submit this form with a copy of the Kentucky Public Pensions Authority's determination letter attached, and you must certify (if accurate) that the employee's annual increases greater than ten percent (10%) over the employee's last five (5) fiscal years of employment were due to the employer implementing the proposed change in position or hiring that was the basis of the Kentucky Public Pensions Authority's determination.

Predetermination Certification

I hereby certify that the employee's annual increases totaling greater than ten percent (10%) in any of the employee's last five (5) fiscal years of employment were due to the employer implementing the proposed change in position or hiring that was the basis of the Kentucky Public Pensions Authority's determination.

Section 3: Singular Bona Fide Promotion or Career Advancement in Multiple Years

If there were multiple sequential years in which the employee experienced increases in creditable compensation totaling greater than 10% per fiscal year, are all increases in creditable compensation totaling greater than 10% per fiscal year attributable to a singular bona fide promotion or career advancement? Yes No (Check "no" if more than 1 bona fide promotion/career advancement)

If yes, provide the years: _____

If you checked "Yes", complete the certification of a singular promotion or career advancement below and continue to Section 4.

If you checked "No", skip this section and continue to Section 4.

Certification of a singular promotion or career advancement

I hereby certify that all of the employee's increases in creditable compensation greater than 10% are attributable to a singular promotion or career advancement. This information is provided in Section 4 below.

Section 4: Bona Fide Promotion or Career Advancement due to advancement or change in employment position pursuant to KRS 61.598(1)(a). (If multiple bona fide promotion/career advancements occurred, answer each question in this section for each bona fide promotion/career advancement.)

Is this a bona fide promotion or career advancement due to advancement or change in employment position pursuant to KRS 61.598(1)(a)? Yes No

If you checked "Yes", complete this section and continue to Section 6.

If you checked "No", skip this section and continue to Section 5.

If there are one or more increases in creditable compensation totaling greater than 10% in a fiscal year, is the entire amount that is greater than 10% attributable to a bona fide promotion or career advancement? Yes No

Explain:

Complete the following 2 questions based on the employee's job description prior to promotion or career advancement (if the employee was a new hire/rehire, provide information about the employee's prior job).

Employee's job title prior to promotion or career advancement:

Describe the employee's job duties prior to promotion or career advancement. Please attach a job description if available.

Complete the following 3 questions based on the employee's job description after promotion or career advancement.

Employee's job title after promotion or career advancement:

Describe the employee's job duties after promotion or career advancement. Please attach a job description if available.

Describe any additional training, skills, education, or expertise gained by the employee to justify the promotion or career advancement. Please attach documentation if applicable.

You must submit documentation supporting the assertion that the increase in creditable compensation was from a bona fide promotion or career advancement.

Certification of Bona Fide Promotion or Career Advancement in accordance with KRS 61.598(1)(a).

I hereby certify that the above information is correct and accurately describes the employee's job descriptions both prior to and after promotion or career advancement. If the employee was a new hire/rehire, I certify that I have made a diligent effort to determine the employee's prior job description, and I certify that the employee's job description after promotion or career advancement is accurate to the best of my knowledge. I understand that Kentucky Public Pensions Authority may request that I testify at an administrative hearing as to the matters described herein.

Section 5: Bona Fide Promotion or Career Advancement due to authorized increases in creditable compensation pursuant to 105 KAR 1:001(14)(b).

Is this a bona fide promotion or career advancement due to authorized increases in creditable compensation pursuant to 105 KAR 1:142 Section 3(2)(a)3.? Yes No

If you checked "Yes", complete this section and continue to Section 6.

If you checked "No", skip this section and continue to Section 6.

Describe the increase in creditable compensation for all employees in a specified class due to an increase in rate of pay authorized or funded by the legislative or administrative body of the employer or due to an increase in rate of pay mandated in a collective bargaining agreement approved by the legislative body of the employer.

You must submit a copy of the personnel form with the date of increased rate of pay, an explanation, and documentation supporting the assertion that the increase in rate of pay was authorized or funded by the legislative or administrative body of the employer or mandated in a collective bargaining agreement approved by the legislative body of the employer.

Certification of Bona Fide Promotion or Career Advancement due to authorized increases in creditable compensation pursuant to 105 KAR 1:001(14)(b).

I hereby certify that the above information is correct and accurately describes the employee's job descriptions both prior to and after promotion or career advancement. If the employee was a new hire/rehire, I certify that I have made a diligent effort to determine the employee's prior job description, and I certify that the employee's job description after the promotion or career advancement is accurate to the best of my knowledge. I understand that Kentucky Public Pensions Authority may request that I testify at an administrative hearing as to the matters described herein.

Section 6: Acknowledgement and Certification of Form 6481

I acknowledge that I have full understanding that any person who provides a false statement, report, or representation to a governmental entity such as the Kentucky Public Pensions Authority is subject to the penalty of perjury in accordance with KRS 523.010, et seq. I further acknowledge that if I have records in my possession, custody, or control and fail to provide all such records to the Kentucky Public Pensions Authority, my employer or myself personally may be liable for civil payments, legal fees, and costs.

Agency Head Signature: _____ Date: _____

Agency Head Printed Name: _____

**Instructions for Completing Form 6481
Employer Request for Post-Determination of Bona Fide Promotion or Career Advancement**

If you believe the amount of the creditable compensation or other account information on the Form 7112 you received is incorrect, please contact an ERCE Representative at 1-888-696-8810.

The Form 6481 is used to assist the agency in determining whether an increase in an employee's creditable compensation greater than 10% is the result of a bona fide promotion or career advancement as defined below.

IMPORTANT:

- You must complete the Form 6481 **in its entirety** and provide supporting documentation, e.g., job descriptions, hourly or salary wage change documentation, employee grade level changes, and personnel action forms.
- Failure to complete the Form 6481 in its entirety and provide supporting documentation may result in a determination that any increase in creditable compensation greater than 10% WAS NOT the result of a bona fide promotion or career advancement.
- A completed Form 6481 must be submitted to the Kentucky Public Pensions Authority within thirty (30) calendar days of the date of notice on the Form 7111 - Employer Notification of Pension Spiking.
- Failure to timely submit the Form 6481 could result in waiver of the right to provide evidence that the increase in creditable compensation was due to a bona fide promotion or career advancement and you will be responsible for paying the actuarial cost.
- If you do not provide an explanation or documentation, and no reporting information needs corrected, you will receive an invoice for the actuarial cost.
- You do not have to submit the Form 6481 if there was no bona fide promotion or career advancement.

"Bona fide promotion or career advancement" means:

1. A professional advancement in substantially the same line of work held by the employee in the four (4) years immediately prior to the final five (5) fiscal years preceding retirement or a change in employment position based on the training, skills, education, or expertise of the employee that imposes a significant change in job duties and responsibilities to clearly justify the increased compensation to the member; See KRS 61.598(1)(a); and
2. Includes any increases in creditable compensation for all employees in a specified class due to an increase in rate of pay authorized or funded by the legislative or administrative body of the employer, or due to an increase in rate of pay mandated in a collective bargaining agreement approved by the legislative body of the employer. See 105 KAR 1:001(14)(b).

The following are **not** bona fide promotions or career advancements without evidence of career advancement or change in position based on training, skills, education, or expertise that imposes a significant change in job duties:

- Overtime or compensatory time for which the employee was paid (except for lump sum payment of compensatory time paid at termination). The reason the employee worked overtime or compensatory time is not relevant;
- An increase in the number of hours the employee worked per day or number of contract days worked per year; and
- Payment for alternate sick leave.

Section 1. Employee Information

New Hire/Rehire - Current Employee. Mark the employee status during the fiscal year(s) of the increase in creditable compensation in question in which the promotion or career advancement took place.

Change/Hire Date. The date of the event that you believe is the date the bona fide promotion or career advancement occurred.

Section 2. through Section 5.

Follow the instructions as provided in those Sections.

Section 6. Certification

The certification data field must be completed by the Agency Head or designee.



Employer Request for Post-Determination of Bona Fide Promotion or Career Advancement

You should submit this form if you have received notice from the Kentucky Public Pensions Authority of its determination of additional actuarial costs resulting from annual increases in the employee's creditable compensation greater than ten percent (10%) over the employee's last five (5) fiscal years of employment, and you want to request that the Kentucky Public Pensions Authority make a determination as to whether or not the annual increases were attributable to a bona fide promotion or career advancement in accordance with KRS 61.598, 105 KAR 1:001, and 105 KAR 1:142.

If the Kentucky Public Pensions Authority determines that the annual increases were not attributable to a bona fide promotion or career advancement, the employee's last participating employer will be required to pay any additional actuarial costs resulting from annual increases in the employee's creditable compensation greater than ten percent (10%) over the employee's last five (5) fiscal years of employment.

Last Participating Employer Information

Employer:	Employer Code:
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Name of Employer Where Promotion or Career Advancement Occurred

Employer:	Employer Code:
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Section 1: Employee Information

Name:	Member ID:
At the time of the increase, the employee was: (Please check one) <input type="checkbox"/> Not an Employee <input type="checkbox"/> A New Hire/Rehire <input type="checkbox"/> A Current Employee	Change/Hire Date: (list all applicable dates)

Section 2: Predeterminations pursuant to 105 KAR 1:142 Section 3(2)(a)2

If you **have a predetermination**, complete the certification in this section and skip to Section 6.
 If you **do not have a predetermination**, skip this section and proceed to Section 3.



If you have already received a determination from the Kentucky Public Pensions Authority that the employee's change of position or hiring would constitute a bona fide promotion or career advancement, you must submit this form with a copy of the Kentucky Public Pensions Authority's determination letter attached, and you must certify (if accurate) that the employee's annual increases greater than ten percent (10%) over the employee's last five (5) fiscal years of employment were due to the employer implementing the proposed change in position or hiring that was the basis of the Kentucky Public Pensions Authority's determination.

Predetermination Certification

I hereby certify that the employee's annual increases totaling greater than ten percent (10%) in any of the employee's last five (5) fiscal years of employment were due to the employer implementing the proposed change in position or hiring that was the basis of the Kentucky Public Pensions Authority's determination.

Section 3: Singular Bona Fide Promotion or Career Advancement in Multiple Years

If there were multiple sequential years in which the employee experienced increases in creditable compensation totaling greater than 10% per fiscal year, are all increases in creditable compensation totaling greater than 10% per fiscal year attributable to a singular bona fide promotion or career advancement? Yes No (Check "No" if more than 1 bona fide promotion/career advancement)

If yes, provide the years: _____

If you checked "Yes", complete the certification of a singular promotion or career advancement below and continue to Section 4.

If you checked "No", skip this section and continue to Section 4.

Certification of a singular promotion or career advancement

I hereby certify that all of the employee's increases in creditable compensation greater than 10% are attributable to a singular promotion or career advancement. This information is provided in Section 4 below.

Last Participating Employer Information

Employer: _____ Employer Code: _____

Employee Information

Name: _____ Member ID: _____

Section 4: Bona Fide Promotion or Career Advancement due to advancement or change in employment position pursuant to KRS 61.598(1)(a) (If multiple bona fide promotion/career advancements occurred, answer each question in this section for each bona fide promotion/career advancement.)

Is this a bona fide promotion or career advancement due to advancement or change in employment position pursuant to KRS 61.598(1)(a)? Yes No

If you checked "Yes", complete this section and continue to Section 6.

If you checked "No", skip this section and continue to Section 5.

If there are one or more increases in creditable compensation totaling greater than 10% in a fiscal year, is the entire amount that is greater than 10% attributable to a bona fide promotion or career advancement? Yes No

Explain:

Complete the following 2 questions based on the employee's job description prior to promotion or career advancement (If the employee was a new hire/rehire, provide information about the employee's prior job.).

Employee's job title prior to promotion or career advancement:

Describe the employee's job duties prior to promotion or career advancement. Please attach a job description if available.

Complete the following 3 questions based on the employee's job description after promotion or career advancement.

Employee's job title after promotion or career advancement:

Describe the employee's job duties after promotion or career advancement. Please attach a job description if available.

Describe any additional training, skills, education, or expertise gained by the employee to justify the promotion or career advancement. Please attach documentation if applicable.

You must submit documentation supporting the assertion that the increase in creditable compensation was from a bona fide promotion or career advancement.

Certification of Bona Fide Promotion or Career Advancement in accordance with KRS 61.598(1)(a).

I hereby certify that the above information is correct and accurately describes the employee's job descriptions both prior to and after promotion or career advancement. If the employee was a new hire/rehire, I certify that I have made a diligent effort to determine the employee's prior job description, and I certify that the employee's job description after promotion or career advancement is accurate to the best of my knowledge. I understand that Kentucky Public Pensions Authority may request that I testify at an administrative hearing as to the matters described herein.

Last Participating Employer Information

Employer:

Employer Code:

Employee Information

Name:

Member ID:

Section 5: Bona Fide Promotion or Career Advancement due to authorized increases in creditable compensation pursuant to 105 KAR 1:001(14)(b)

Is this a bona fide promotion or career advancement due to authorized increases in creditable compensation pursuant to 105 KAR 1:142 Section 3(2)(a)3.? Yes No

If you checked "Yes", complete this section and continue to Section 6.

If you checked "No", skip this section and continue to Section 6.

Describe the increase in creditable compensation for all employees in a specified class due to an increase in rate of pay authorized or funded by the legislative or administrative body of the employer or due to an increase in rate of pay mandated in a collective bargaining agreement approved by the legislative body of the employer.

You must submit a copy of the personnel form with the date of increased rate of pay, an explanation, and documentation supporting the assertion that the increase in rate of pay was authorized or funded by the legislative or administrative body of the employer or mandated in a collective bargaining agreement approved by the legislative body of the employer.

Certification of Bona Fide Promotion or Career Advancement due to authorized increases in creditable compensation pursuant to 105 KAR 1:001(14)(b).

I hereby certify that the above information is correct and accurately describes the employee's job descriptions both prior to and after promotion or career advancement. If the employee was a new hire/rehire, I certify that I have made a diligent effort to determine the employee's prior job description, and I certify that the employee's job description after the promotion or career advancement is accurate to the best of my knowledge. I understand that Kentucky Public Pensions Authority may request that I testify at an administrative hearing as to the matters described herein.

Section 6: Acknowledgement and Certification of Form 6481

I acknowledge that I have full understanding that any person who provides a false statement, report, or representation to a governmental entity such as the Kentucky Public Pensions Authority is subject to the penalty of perjury in accordance with KRS 523.010, et seq. I further acknowledge that if I have records in my possession, custody, or control and fail to provide all such records to the Kentucky Public Pensions Authority, my employer or myself personally may be liable for civil payments, legal fees, and costs.

Agency Head Signature: _____

Date: _____

Agency Head Printed Name: _____

Instructions for Completing Form 6487

Request for Member Pension Spiking Exemption Amounts

If you believe the amount of the creditable compensation or other account information on this form is incorrect, please contact an ERCE representative at 1-888-696-8810.

The Form 6487 is used to assist the agency in determining whether an increase in an employee's creditable compensation greater than 10% was the result of an exemption found in KRS 61.598(4) and 105 KAR 1:142 Section 4.

- The Form 6487 must be returned through Employer Self Service, or to the address or fax number on top of the form.
- You must complete the entire form and provide supporting documentation (e.g., job descriptions, wage change documentation, employee grade level changes, personnel action forms, etc.) within 30 days from the date this form is provided to the employer.
- The employee's retirement allowance may be negatively affected if you fail to timely return the completed Form 6487, do not provide an explanation and supporting documentation, or do not correct reported information as needed.

Pursuant to KRS 61.598(4) and 105 KAR 1:142 Section 4, exemptions for increases in creditable compensation greater than 10% in a fiscal year over the immediately preceding fiscal year include:

- (a) Bona fide promotion or career advancement as defined by 105 KAR 1:001(14);
- (b) Lump-sum payment for compensatory time paid to an employee upon termination of employment;
- (c) Lump-sum payment made pursuant to an alternate sick leave program under KRS 78.616(5);
- (d) Increases due to leave without pay for any reason in the preceding year;
- (e) Increases directly attributable to an employee's receipt of compensation for:
 1. Overtime worked due to any state or federal grant or similar program that requires overtime for funds; or
 2. The first 100 hours of mandatory overtime that the employee is individually required to work during a fiscal year; and
- (f) Increases directly attributable to an employee's receipt of compensation for overtime performed due to:
 1. A state of emergency declared by the President of the U.S. or the Governor of the Commonwealth of Kentucky; or
 2. A state of emergency declared by a local government in which the Governor authorizes mobilization of the Kentucky National Guard pursuant to KRS 38.030 and 39A.950.
 - For local government emergencies issued from 5/28/2020 to 10/5/2020, for overtime worked from 5/28/2020 through 5/11/2021, KY National Guard does not have to be mobilized for the entire period (2022 Ky Acts ch.100, section 2).

"Bona fide promotion or career advancement" means:

1. A professional advancement in substantially the same line of work held by the employee in the four (4) years immediately prior to the final five (5) fiscal years preceding retirement or a change in employment position based on the training, skills, education, or expertise of the employee that imposes a significant change in job duties and responsibilities to clearly justify the increased compensation to the member. KRS 61.598(1)(a); and
2. Includes any increases in creditable compensation for all employees in a specified class due to an increase in rate of pay authorized or funded by the legislative or administrative body of the employer, or due to an increase in rate of pay mandated in a collective bargaining agreement approved by the legislative body of the employer. 105 KAR 1:001.

This form should have the employer's name, employer's code, employee's name, and employee's member ID prepopulated.

Section 1 - Member Pension Spiking Exemptions. This section contains the details of the last six (6) fiscal years of the member's employment and shows the original creditable compensation, spiking increase, and the adjusted creditable compensation.

You **MUST** check either the "No Exemptions" **OR** "Exemptions" box. Failure to check one may cause the form to be invalid.

- Check "No Exemptions" if the increase in creditable compensation is not attributable to an allowed exemption.
- Check "Exemptions" if the increase in creditable compensation is attributable to an allowed exemption or due to a reporting error.

Section 2 - Exemption Amounts.

Mark the status of the employee during the fiscal year(s) the increase the promotion or career advancement took place. Change/Hire Date. The date of the event the employer asserts is the date the bona fide promotion/career advancement occurred.

Indicate if any creditable compensation is directly attributable to the exemptions identified below. These exemptions must be reported during the employer's normal monthly reporting process with the corresponding payment reason.

Exemption	Payment Reason
Leave without pay in the preceding year	Leave Without Pay
Lump-sum payment pursuant to alt sick leave	Alternate Sick Leave Payment
Lump-sum payment for comp time at termination	Lump Sum Compensatory Pay at Termination

In the below charts, list **ONLY** the total salary related to the exemptions remaining and the fiscal year in which it occurred.

*See details and examples in the "Quick Guide to Completing Form 6487" at kyret.ky.gov in Employer Publications.

Section 3 and 4 - Bona Fide Promotion or Career Advancements. Follow the instructions found in these Sections.

Section 5: Certification. The certification data field must be completed by the Agency Head or designee.



Updated to 9/2024 to be consistent with other form for this Regulation. No other changes

Section 1 - Member Pension Spiking Exemptions

Employer Information

Employer Name:

Employer Code:

Member Information

Member Name:

Member ID:

The retirement calculation for the member noted above has indicated that the employee experienced annual increases greater than ten percent (10%) over the employee's last five (5) fiscal years of employment. Per KRS 61.598(2), the member's final compensation "that exceeds ten percent (10%) more than the employee's creditable compensation from the immediately preceding fiscal year shall not be included in the creditable compensation used to calculate the retiring employee's monthly retirement allowance." The chart below displays the member's adjusted final compensation based on the current calculation.

Fiscal Year	Actual Comp	Comp Less Exclusions	Months	Employer Code	Increase	Spiking	Revised Comp
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If the employer reported a bonus or an alternate sick leave payment, it is displayed in the above grid in the manner in which it has been applied to the final compensation in accordance with KRS 16.505(8); 61.510(13); 78.510(13) and 105 KAR 1:160.

KRS 61.598 and 105 KAR 1:142 provide for specific exemptions of reportable salary that are excludable when calculating the increase in creditable compensation. These exemptions are listed in the instructions for this form. Indicate whether or not exemptions are related to the salaries reported.

- No Exemptions: The increase in creditable compensation is not attributable to an allowed exemption for this member.
- Exemptions: The increase in creditable compensation is attributable to an allowed exemption. If this was due to an error found in the reported information, an adjustment to reported salary will be remitted through the monthly report.

**If you selected "no exemptions", skip to Section 6.
 If you selected "exemptions", continue to Section 2.**

Section 2 - Exemption Amounts

Employer Information

Employer Name:

Employer Code:

Member Information

Member Name:

Member ID:

At the time of the increase, the employee was: (Please check one) <input type="checkbox"/> A New Hire/Rehire <input type="checkbox"/> A Current Employee	Change/Hire Date: (list all applicable dates)
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Member Pension Spiking Amounts

- Mark if there is an exemption that must be reported during the employer's normal monthly reporting process, these include:
 - Leave without pay in the preceding year
 - Lump-sum payment for to alternate sick leave or comp time at termination

List all Fiscal Years for these exemptions: _____

If corrections to those reported salaries are needed, make those adjustments in the next monthly reporting cycle.

List ONLY the total salary attributable to each exemption and the fiscal year in which it occurred in the charts below (DO NOT include total compensation):

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
Bona fide promotion or career advancement					
Wages for overtime because of a state of emergency declared by the President of the U.S. or by the Governor of the KY					
Wages for overtime because of a state of emergency declared by local government and the KY National Guard is mobilized**					
Wages attributable to overtime required as a condition for receipt of a state or federal grant, or a similar project*					
Wages attributable to the first 100 hours of mandatory overtime that is required by the employer to be worked during a fiscal year					

*If the increase was attributable to overtime hours worked under a state or federal grant, a copy of the grant will be required. Underline or highlight the specific language in the grant requiring overtime.

**If the increase was attributable to the KY National Guard mobilization, provide the applicable Executive Order number that mobilized the National Guard.

If any salary amount is listed in the Bona fide promotion or career advancement exemption chart, continue to Section 3. If no salary amount is listed in the Bona fide promotion or career advancement exemption row, skip to Section 5.

Section 3 – Bona Fide Promotion or Career Advancement Exemption due to advancement or change in employment position pursuant to KRS 61.598(1)(a).

Is this a bona fide promotion or career advancement due to advancement or change in employment position pursuant to KRS 61.598(1)? O Yes O No

If you checked "Yes", complete this section and continue to Section 5.

If you checked "No", skip this section and continue to Section 4.

Respond the following request based on the employee's job description prior to promotion or career advancement (if the employee was a new hire/rehire, provide information about the employee's prior job).

Employee's job title prior to promotion or career advancement:

Describe the employee's job duties prior to promotion or career advancement. Please attach a job description if available.

Respond to the following request based on the employee's job description after the promotion or advancement.

Employee's job title after promotion or career advancement:

Describe the employee's job duties after promotion or career advancement. Please attach a job description if available.

You must submit documentation supporting the assertion that the increase in creditable compensation was from a bona fide promotion or career advancement.

Section 4: Bona Fide Promotion or Career Advancement due to authorized increases in creditable compensation pursuant to 105 KAR 1:142 Section 4(2)(b)2.b.

Is this a bona fide promotion or career advancement due to authorized increases in creditable compensation pursuant to 105 KAR 1:142 Section 4(2)(b)2.b.? Yes No

If you checked "Yes", complete this section and continue to Section 5.

If you checked "No", skip this section and continue to Section 5.

Describe the increase in creditable compensation for all employees in a specified class due to an increase in rate of pay authorized or funded by the legislative or administrative body of the employer or due to an increase in rate of pay mandated in a collective bargaining agreement approved by the legislative body of the employer.

You must submit a copy of the personnel form with the date of increased rate of pay, an explanation, and documentation supporting the assertion that the increase in rate of pay was authorized or funded by the legislative or administrative body of the employer or mandated in a collective bargaining agreement approved by the legislative body of the employer.

Section 5: Certification

I hereby certify that the above information is correct and:

- Exemption details in Section 2 are accurate;
- Employment details in Section 3 and 4 accurately describes the employee's job descriptions both prior to and after promotion or career advancement;
- If the employee was a new hire/rehire, I certify that I have made a diligent effort to determine the employee's prior job description, and I certify that the employee's current job description is accurate to the best of my knowledge; and
- I understand that Kentucky Public Pensions Authority may request that I testify at an administrative hearing as to the matters described herein.

I acknowledge that I have full understanding that any person who provides a false statement, report, or representation to a governmental entity such as the Kentucky Public Pensions Authority is subject to the penalty of perjury in accordance with KRS 523.010, et seq. I further acknowledge that if I knowingly submit or cause to be submitted a false or fraudulent claim for the paymer or receipt of benefits, my employer or myself personally may be liable for repayment of benefits the member was not entitled to receive, and also liable for civil payments, legal fees, and costs.

Agency Head Signature: _____

Agency Head Printed Name: _____

Date: _____

Instructions for Completing Form 6487
Request for Member Pension Spiking Exemption Amounts

If you believe the amount of the creditable compensation or other account information on this form is incorrect, please contact an ERCE representative at 1-888-696-8810.

The Form 6487 is used to assist the agency in determining whether an increase in an employee's creditable compensation greater than 10% was the result of an exemption found in KRS 61.598(4) and 105 KAR 1:142 Section 4.

- The Form 6487 must be returned through Employer Self Service, or to the address or fax number on top of the form.
- You must complete the entire form and provide supporting documentation (e.g., job descriptions, wage change documentation, employee grade level changes, personnel action forms, etc.) within 30 days from the date this form is provided to the employer.
- The employee's retirement allowance may be negatively affected if you fail to timely return the completed Form 6487, do not provide an explanation and supporting documentation, or do not correct reported information needed.

Pursuant to KRS 61.598(4) and 105 KAR 1:142 Section 4, exemptions for increases in creditable compensation greater than 10% in a fiscal year over the immediately preceding fiscal year include:

- (a) Bona fide promotion or career advancement as defined by 105 KAR 1:001(14);
- (b) Lump-sum payment for compensatory time paid to an employee upon termination of employment;
- (c) Lump-sum payment made pursuant to an alternate sick leave program under KRS 78.616(5);
- (d) Increases due to leave without pay for any reason in the preceding year;
- (e) Increases directly attributable to an employee's receipt of compensation for:
 1. Overtime worked due to any state or federal grant or similar program that requires overtime for funds; or
 2. The first 100 hours of mandatory overtime that the employee is individually required to work during a fiscal year; and
- (f) Increases directly attributable to an employee's receipt of compensation for overtime performed due to:
 1. A state of emergency declared by the President of the U.S. or the Governor of the Commonwealth of Kentucky; or
 2. A state of emergency declared by a local government in which the Governor authorizes mobilization of the Kentucky National Guard pursuant to KRS 38.030 and 39A.950. *
 - For local government emergencies issued from 5/28/2020 to 10/5/2020, for overtime worked from 5/28/2020 through 5/11/2021, KY National Guard does not have to be mobilized for the entire period (2022 Ky Acts ch.100, section 2).

"Bona fide promotion or career advancement" means:

1. A professional advancement in substantially the same line of work held by the employee in the four (4) years immediately prior to the final five (5) fiscal years preceding retirement or a change in employment position based on the training, skills, education, or expertise of the employee that imposes a significant change in job duties and responsibilities to clearly justify the increased compensation to the member. KRS 61.598(1)(a); and
2. Includes any increases in creditable compensation for all employees in a specified class due to an increase in rate of pay authorized or funded by the legislative or administrative body of the employer, or due to an increase in rate of pay mandated in a collective bargaining agreement approved by the legislative body of the employer. 105 KAR 1:001.

This form should have the employer's name, employer's code, employee's name, and employee's member ID prepopulated.

Section 1 - Member Pension Spiking Exemptions

This section contains the details of the last six (6) fiscal years of the member's employment and shows the original creditable compensation, spiking increase, and the adjusted creditable compensation.

You **MUST** check either the "*No Exemptions*" **OR** "*Exemptions*" box. Failure to check one may cause the form to be invalid.

- Check "*No Exemptions*" if the increase in creditable compensation is not attributable to an allowed exemption.
- Check "*Exemptions*" if the increase in creditable compensation is attributable to an allowed exemption or due to a reporting error.

Section 2 - Exemption Amounts

Mark the status of the employee during the fiscal year(s) the increase, the promotion or the career advancement took place.

Change/Hire Date. The date of the event the employer asserts is the date the bona fide promotion/career advancement occurred.

Indicate if any creditable compensation is directly attributable to the exemptions identified below. These exemptions must be reported during the employer's normal monthly reporting process with the corresponding payment reason.

Exemption	Payment Reason
Leave without pay in the preceding year	Leave Without Pay
Lump-sum payment pursuant to alt sick leave	Alternate Sick Leave Payment
Lump-sum payment for comp time at termination	Lump Sum Compensatory Pay at Termination

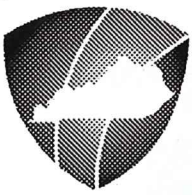
In the below charts, list **ONLY** the total salary related to the exemptions remaining and the fiscal year in which it occurred.

*See details and examples in the "Quick Guide to Completing Form 6487" at kyret.ky.gov in Employer Publications.

Section 3 and 4 - Bona Fide Promotion or Career Advancement
Follow the instructions found in these Sections.

Section 5 - Certification

The certification data field must be completed by the Agency Head or designee.



Section 1 - Member Pension Spiking Exemptions

Employer Information

Employer Name: [REDACTED]

Employer Code: [REDACTED]

Member Information

Member Name: [REDACTED]

Member ID: [REDACTED]

The retirement calculation for the member noted above has indicated that the employee experienced annual increases greater than ten percent (10%) over the employee's last five (5) fiscal years of employment. Per KRS 61.598(2), the member's final compensation "that exceeds ten percent (10%) more than the employee's creditable compensation from the immediately preceding fiscal year shall not be included in the creditable compensation used to calculate the retiring employee's monthly retirement allowance." The chart below displays the member's adjusted final compensation based on the current calculation.

Fiscal Year	Actual Comp	Comp Less Exclusions	Months	Employer Code	Increase	Spiking	Revised Comp
7/1/2024-6/30/2025	\$20,000.00	\$20,000.00	1	[REDACTED]	1254.66%	SPIKING	\$8,617.97
7/1/2023-6/30/2024	\$17,716.66	\$17,716.66	12	[REDACTED]	4.21%	NO SPIKING	N/A
7/1/2022-6/30/2023	\$17,000.40	\$17,000.40	12	[REDACTED]	-10.01%	NO SPIKING	N/A
7/1/2021-6/30/2022	\$4,722.92	\$4,722.92	3	[REDACTED]	4.42%	NO SPIKING	N/A
7/1/2020-6/30/2021	\$18,092.50 \$60.91 \$18,031.59	\$18,092.50	12	[REDACTED] BONS [REDACTED]	13.11%	SPIKING	\$17,784.57
7/1/2019-6/30/2020	\$15,995.79 \$60.91 \$15,934.88	\$15,995.79	12	[REDACTED] BONS [REDACTED]	0.00%	NO SPIKING	N/A

If the employer reported a bonus or an alternate sick leave payment, it is displayed in the above grid in the manner in which it has been applied to the final compensation in accordance with KRS 16.505(8); 61.510(13); 78.510(13) and 105 KAR 1:160.

KRS 61.598 and 105 KAR 1:142 provides for specific exemptions of reportable salary that are excludable when calculating the increase in creditable compensation. These exemptions are listed in the instructions for this form. Indicate whether or not exemptions are related to the salaries reported.

- No Exemptions:** The increase in creditable compensation is not attributable to an allowed exemption for this member.
- Exemptions:** The increase in creditable compensation is attributable to an allowed exemption. If this was due to an error found in the reported information, an adjustment to reported salary will be remitted through the monthly report.

If you selected "No Exemptions", skip to Section 5.
If you selected "Exemptions", continue to Section 2.

Section 2 - Exemption Amounts

Employer Information

Employer Name: _____ Employer Code: _____

Member Information

Member Name: _____ Member ID: _____

At the time of the increase, the employee was: (Please check one)

- A New Hire/Rehire A Current Employee

Change/Hire Date: (list all applicable dates)

Member Pension Spiking Amounts

Mark if there is an exemption that must be reported during the employer's normal monthly reporting process, these include:

- Leave without pay in the preceding year
- Lump-sum payment for alternate sick leave or comp time at termination

List all Fiscal Years for these exemptions: _____

If corrections to those reported salaries are needed, make those adjustments in the next monthly reporting cycle.

List ONLY the total salary attributable to each exemption and the fiscal year in which it occurred in the charts below (DO NOT include total compensation):

	Fiscal Year 7/1/2019- 6/30/2020	Fiscal Year 7/1/2020- 6/30/2021	Fiscal Year 7/1/2021- 6/30/2022	Fiscal Year 7/1/2022- 6/30/2023	Fiscal Year 7/1/2023- 6/30/2024	Fiscal Year 7/1/2024- 6/30/2025
Bona fide promotion or career advancement						
Wages for overtime because of a state of emergency declared by the President of the U.S. or by the Governor of KY						
Wages for overtime because of a state of emergency declared by local government and the KY National Guard is mobilized**						
Wages attributable to overtime required as a condition for receipt of a state or federal grant, or a similar project*						
Wages attributable to the first 100 hours of mandatory overtime that is required by the employer to be worked during a fiscal year						

*If the increase was attributable to overtime hours worked under a state or federal grant, a copy of the grant will be required. Underline or highlight the specific language in the grant requiring overtime.

**If the increase was attributable to the KY National Guard mobilization, provide the applicable Executive Order number that mobilized the National Guard.

If any salary amount is listed in the Bona fide promotion or career advancement exemption chart, continue to Section 3.

If no salary amount is listed in the Bona fide promotion or career advancement exemption row, skip to Section 5.

Section 3 - Bona Fide Promotion or Career Advancement Exemption due to advancement or change in employment position pursuant to KRS 61.598(1)(a).

Is this a bona fide promotion or career advancement due to advancement or change in employment position pursuant to KRS 61.598(1)? Yes No

**If you checked "Yes", complete this section and continue to Section 5.
If you checked "No", skip this section and continue to Section 4.**

Respond to the following request based on the employee's job description prior to promotion or career advancement (if the employee was a new hire/rehire, provide information about the employee's prior job).

Employee's job title prior to promotion or career advancement:

Describe the employee's job duties prior to promotion or career advancement. Please attach a job description if available.

Respond to the following request based on the employee's job description after the promotion or career advancement.

Employee's job title after promotion or career advancement:

Describe the employee's job duties after promotion or career advancement. Please attach a job description if available.

Section 4 - Bona Fide Promotion or Career Advancement due to authorized increases in creditable compensation pursuant to 105 KAR 1:142 Section 4(2)(b)2.b.

Is this a bona fide promotion or career advancement due to authorized increases in creditable compensation pursuant to 105 KAR 1:142 Section 4(2)(b)2.b.?

Yes No

**If you checked "Yes", complete this section and continue to Section 5.
If you checked "No", skip this section and continue to Section 5.**

Describe the increase in creditable compensation for all employees in a specified class due to an increase in rate of pay authorized or funded by the legislative or administrative body of the employer or due to an increase in rate of pay mandated in a collective bargaining agreement approved by the legislative body of the employer.

You must submit a copy of the personnel form with the date of increased rate of pay, an explanation, and documentation supporting the assertion that the increase in rate of pay was authorized or funded by the legislative or administrative body of the employer or mandated in a collective bargaining agreement approved by the legislative body of the employer.

Section 5 - Certification

I hereby certify that the above information is correct and:

- Exemption details in Section 2 are accurate;
- Employment details in Section 3 and 4 accurately describes the employee's job descriptions both prior to and after promotion or career advancement;
- If the employee was a new hire/rehire, I certify that I have made a diligent effort to determine the employee's prior job description, and I certify that the employee's current job description is accurate to the best of my knowledge; and
- I understand that Kentucky Public Pensions Authority may request that I testify at an administrative hearing as to the matters described herein.

I acknowledge that I have full understanding that any person who provides a false statement, report, or representation to a governmental entity such as the Kentucky Public Pensions Authority is subject to the penalty of perjury in accordance with KRS 523.010, et seq. I further acknowledge that if I knowingly submit or cause to be submitted a false or fraudulent claim for the payment or receipt of benefits, my employer or myself personally may be liable for repayment of benefits the member was not entitled to receive, and also liable for civil payments, legal fees, and costs.

Agency Head Signature: _____

Agency Head Printed Name: _____ Date: _____