



## ARREARAGE ADJUSTMENT TO PRIOR CONTRIBUTION REPORT—EMPLOYER PAID

■ **Important** – Complete this form if contributions for an employee were omitted or reported in error on a previously submitted Annual Contribution Report. This form does not apply to arrearages of six months or less, erroneous year of service or service purchase arrearages. See form KPERS-17 OPT for these adjustments NOT paid by the employer.

K.S.A. 74-4990 requires the employer to pay both the employer and employee portions of the arrearage, and the employee receives service credit. The law provides that no employee shall pay any part of an arrearage. This applies to arrearages ascertained after July 1, 1998, no matter when they occurred.

Send this form immediately, then include the adjusted contributions in your next KPERS remittance. Statute requires KPERS to bill the employer for interest at the current actuarial rate.

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### ■ Part A – General Information

- 1. Member Social Security Number: \_\_\_\_\_
- 2. Member Name: \_\_\_\_\_
- 3. KPERS Employer Number: \_\_\_\_\_
- 4. Employer: \_\_\_\_\_
- 5. Annual Report Year to be Adjusted: \_\_\_\_\_
- 6. "I did not pay any portion of this arrearage." \_\_\_\_\_
- Member Signature: \_\_\_\_\_

■ **Part B – Regular Contributions** – A member type (#2) is required only for State of Kansas. A reason code is required when reporting an end date (#4). See Arrearage Adjustment Factor Table (K-17 Table) at kpers.org for reason codes (#5).

1. Dept. #	2. Member Type	3. Begin Date	4. End Date	5. Reason Code	6. Gross Wages	\$ _____
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					KPERS-Covered Wages	\$ _____

7. Employee Contributions Previously Reported	\$ _____
8. Employee Corrected Contributions	\$ _____
9. Enter the difference between #8 and #7 as a debit (DR).	\$ _____
10. Employer Contribution: (Appropriate Employer Rate Factor _____ X Item 9)	\$ _____
11. Employer Insurance: (Insurance Rate Factor _____ X Item 9)	\$ _____
12. Total employee and employer contributions (Items 9 + 10 + 11).	\$ _____

### ■ Part C – Designated Agent Signature

- 1. Please enter the date this adjustment will be remitted as a debit (DR): \_\_\_\_\_
- 2. Designated Agent Signature: \_\_\_\_\_ Month/Day/Year: \_\_\_\_/\_\_\_\_/\_\_\_\_

**Note:** If this employee retires within 24 months of reporting this arrearage, the employer will pay to the Retirement System a lump-sum amount equal to the difference of the actuarial present value of the retirement benefit and the accumulated value of any contributions represented by the arrearage.

# ARREARAGE ADJUSTMENT TO PRIOR CONTRIBUTION REPORT INSTRUCTIONS

Use this form to adjust any period for which you have already submitted an Annual Contribution Report. This form does not apply to arrearages of six months or less, erroneous year of service, or service purchase arrearages. See the KPERS-17OPT form for employee adjustments NOT paid by the employer or corrections to certified contributions preprinted on your Annual Report (i.e., retirement, death).

Complete this form when the error is detected and send it to KPERS *immediately*. Add this amount to your next EFT remittance in the "Additional Misc Amounts" field on the employer web portal. KPERS is required by statute to bill for interest on the arrearage at the current actuarial rate.

**IMPORTANT:** If this employee retires within 24 months of reporting this arrearage, the employer will be required to pay a lump-sum amount equal to the difference of the actuarial present value of the retirement benefit and the accumulated value of any contributions represented by the arrearage.

Submit adjustments for one member and one year only per form. For example, if you have three members to adjust for one year each, three forms are required. If you have one member to adjust for five years, you will need five forms.

## ■ PART A – General Information

1. Enter the member's Social Security number.
2. Enter the member's first name, middle initial and last name.
3. Enter the employer's (4) four-digit identification number. State agencies, enter the state agency number preceded by the capital letter "S."
4. Enter the name of the participating employer.
5. Enter the Annual Report year to be adjusted.
6. Employee's signature is required. If the employee is no longer on payroll, please indicate in this area.

■ **PART B – Regular Contributions** – A member type (#2) is required only for State of Kansas. A reason code is required when reporting an end date (#4). See Arrearage Adjustment Factor Table (K-17 Table) at [kpers.org](http://kpers.org) for reason codes (#5).

1. This is the department the member appears in on your report. For many employers this item is not necessary. Check your Annual Report if unsure.
2. Only State agencies are required to provide this information. Central payroll has the appropriate codes.
3. Complete this line only if the member began employment during the year adjusted.
4. Completed this line only if the member ends employment during the year adjusted.
5. A reason code is required when reporting an end date for the period being adjusted. Reason codes are listed on the Arrearage Adjustment Factor Table (KPERS-17 Table).
6. Calculate the member's KPERS-covered wages. You have the option to use one or two entries to submit data: Gross Wages and Adjustments to Gross Wages.

*Option 1:* Enter KPERS-Covered Wages in the Gross Wages field. Leave Adjustments to Gross Wages blank.

*Option 2:* Enter Gross Wages and Adjustments to Gross Wages to calculate KPERS-Covered Wages.

The formula to calculate KPERS-Covered Wages is:

**Gross Wages - Adjustments to Gross Wages = KPERS-covered wages.**

If you have questions about what to report as KPERS-Covered Wages, please see the document "What Compensation to Include in KPERS Compensation" in the Employer Manual section at [kpers.org](http://kpers.org).

7. Employee contributions previously reported on the report being corrected.
8. Corrected employee contributions are the total contributions that should have been reported for the adjustment period.

9. Enter the difference between #8 and #7 as a debit. This is the amount you under-reported.
10. Employer contribution: The appropriate employer rate factor can be found on the Arrearage Adjustment Factor Table (KPERS-17 Table). Round this calculation to the nearest cent. The rate factor allows you to use the employee contribution total to determine the employer contribution.
11. Employer insurance contribution: The appropriate insurance rate factor can be found on the Arrearage Adjustment Factor Table (KPERS-17 Table). Round this calculation to the nearest cent.
12. Total employee and employer contributions (sum of lines 9 + 10 + 11). This is your adjusted contributions.

■ **Part C – Designated Agent Signature**

1. Enter the date when you will remit this adjustment to KPERS.
2. The designated agent must sign and date the form. The Retirement System will accept only the designated agent's signature on file or an authorized representative whose signature is also on file.