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DEPARTMENT OF ADMINISTRATION

Division of Accounts and Reports

INFORMATIONAL CIRCULAR NO: 97-P-001

DATE: August 27, 1996

SUBJECT: Earnings Code Added to SHARP

EFFECTIVE DATE: Effective with the payroll period beginning August 11 and ending August 24, 1996

A & R CONTACT: Payroll Services - (913) 296-3146

SUMMARY: National Guard Pay

The Kansas State Social Security Agreement designates State of Kansas employees as a 'coverage group' under the Social Security Act. The State's Social Security Agreement does, however, exempt certain services from coverage. One of the specific exemptions listed in the agreement is services of an emergency nature. The SHARP system currently contains an earnings code of '**NGP**' which has been designated for **National Guard Service Pay**. The '**NGP**' earnings type has been set up to allow for withholding taxes and to provide for an exemption for FICA. The '**NGP**' earnings should be used to record earnings for guards persons called to 'state active duty' to perform services during times of emergency.

To accurately record the earnings for guards persons called to state active duty for non-emergency reasons, the earnings code '**NGR**', **National Guard Regular Pay**, has been added to the SHARP earnings code table. The '**NGR**' earnings code adds to gross pay and is subject to FICA. Like the '**NGP**' earnings code, '**NGR**' earnings will be added to the REGULAR pay line on the employees' pay stub/advice. To better distinguish the two earnings codes for state active duty pay, the description of the '**NGP**' earnings code has been changed to **National Guard Emergency Pay**.

The '**NGR**' and '**NGP**' earnings codes are authorized for use by the Adjutant Generals Department only.

SAM:JJM:sj