

1 AN ACT relating to the public defender system and declaring an emergency.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 31 IS CREATED TO  
4 READ AS FOLLOWS:

- 5 (1) (a) Effective July 1, 2024, employees of the Louisville and Jefferson County  
6 Public Defender Corporation shall be transferred to the Department of  
7 Public Advocacy within the Justice and Public Safety Cabinet.
- 8 (b) On or before April 30, 2024, the Department of Public Advocacy shall notify  
9 each employee of the Louisville and Jefferson County Public Defender  
10 Corporation the position to which he or she will transfer within the  
11 Department of Public Advocacy on July 1, 2024.
- 12 (c) No later than May 31, 2024, the Department of Public Advocacy shall  
13 submit to the Personnel Cabinet a list of all employees who will transfer  
14 from the Louisville and Jefferson County Public Defender Corporation to  
15 the department along with records of each employee's job classification,  
16 compensation, dates of employment, dates of professional licensure,  
17 probationary status, accumulated leave balances by category, months of  
18 service, and any other information necessary under KRS Chapter 18A.
- 19 (d) The Personnel Cabinet shall assist the Department of Public Advocacy in  
20 implementing this section.
- 21 (2) An employee transferred pursuant to subsection (1) of this section shall:
- 22 (a) Be compensated by the Department of Public Advocacy at a salary no less  
23 than his or her salary in effect with the Louisville and Jefferson County  
24 Public Defender Corporation as of April 30, 2024, except an employee who  
25 is scheduled to complete employment probation as provided under  
26 subsection (3) of this section between May 1, 2024, and July 1, 2024, shall  
27 be compensated at a salary no less than his or her salary after completion of

1           probation; and

2           **(b) 1. Retain his or her leave time balances accumulated as of the**  
3           **employee's last date of employment with the Louisville and Jefferson**  
4           **County Public Defender Corporation.**

5           **2. For any accumulated leave in a category that is different from a type**  
6           **of leave available to state employees under KRS Chapter 18A, the**  
7           **Personnel Cabinet shall determine which type of leave to convert the**  
8           **transferred leave.**

9           **3. When computing months of service for the purpose of determining**  
10           **leave time accumulation for an employee transferred under subsection**  
11           **(1) of this section, the employee's service begins on the earlier of the**  
12           **date of initial employment with the Louisville and Jefferson County**  
13           **Public Defender Corporation or the date of employment with a state**  
14           **agency.**

15           **(3) Notwithstanding KRS 18A.111, employees transferred pursuant to subsection (1)**  
16           **of this section:**

17           **(a) Who are appointed to classified positions within the Department of Public**  
18           **Advocacy and who are not on employment probation with the Louisville and**  
19           **Jefferson County Public Defender Corporation as of the date of transfer to**  
20           **the Department of Public Advocacy shall be appointed with status as**  
21           **defined in KRS 18A.005 without an initial probationary period; and**

22           **(b) Who are appointed to classified positions within the Department of Public**  
23           **Advocacy and who are on employment probation with the Louisville and**  
24           **Jefferson County Public Defender Corporation as of the date of transfer to**  
25           **the Department of Public Advocacy shall be subject to an initial**  
26           **probationary period which shall terminate on the date probation was**  
27           **originally scheduled to terminate with the Louisville and Jefferson County**

1           Public Defender Corporation or six (6) months after the date of transfer to  
2           the Department of Public Advocacy , whichever is earlier.

3           The Department of Public Advocacy shall include the probationary status and  
4           scheduled probation termination of each employee in its list of employees  
5           submitted to the Personnel Cabinet pursuant to subsection (1) of this section.

6           (4) Employees transferred pursuant to subsection (1) of this section shall be eligible  
7           to participate in the state-sponsored life and health insurance benefit programs  
8           administered by the Personnel Cabinet under KRS Chapter 18A. Employees shall  
9           be eligible for coverage under the life and health insurance programs effective  
10           July 1, 2024, and shall not be subject to any waiting period that may be otherwise  
11           applicable to participation in these programs.

12           (5) (a) Employees transferred pursuant to subsection (1) of this section shall  
13           participate in the Kentucky Employees Retirement System as nonhazardous  
14           members pursuant to KRS 61.510 to 61.705.

15           (b) For purposes of KRS 61.510 to 61.705, the membership date of an employee  
16           transferred pursuant to subsection (1) of this section shall be the earlier of:

17           1. The date upon which the employee began participating in the  
18           Kentucky Employees Retirement System, State Police Retirement  
19           System, County Employees Retirement System, or other state-  
20           administered retirement system; or

21           2. The date the employee began employment with the Louisville and  
22           Jefferson County Public Defender Corporation.

23           (6) (a) Employees transferred to the Department of Public Advocacy pursuant to  
24           subsection (1) of this section whose membership date is prior to January 1,  
25           2014, may:

26           1. Prior to July 1, 2025, purchase their past service with the Louisville  
27           and Jefferson County Public Defender Corporation without being

- 1                    vested notwithstanding subsection (5) of Section 5 of this Act; or
- 2                    2. After July 1, 2025, purchase their past service with the Louisville and
- 3                    Jefferson County Public Defender Corporation subject to the
- 4                    requirement to be vested under subsection (5) of Section 5 of this Act.
- 5                    (b) For employees who elect to purchase their past service under this
- 6                    subsection, the employee's past service with the Louisville and Jefferson
- 7                    County Public Defender Corporation shall be used to determine eligibility
- 8                    for benefits and the amount of benefit for:
- 9                    1. A retirement allowance under disability retirement, early retirement,
- 10                    normal retirement, or death under any of the provisions of KRS
- 11                    16.505 to 16.652, 61.510 to 61.705, or 78.510 to 78.852; and
- 12                    2. The monthly insurance contribution under KRS 61.702 or 78.5536
- 13                    subject to paragraph (d) of this subsection.
- 14                    (c) Subject to paragraph (d) of this subsection:
- 15                    1. For employees who elect to purchase their past service under
- 16                    paragraph (a)1. of this subsection, the Department of Public Advocacy
- 17                    may make a one (1) time employer contribution toward the purchase
- 18                    of past service credit in an amount not to exceed the difference
- 19                    between the cost of the employee's purchase of past service credit for
- 20                    the period of employment with the Louisville and Jefferson County
- 21                    Public Defender Corporation as determined by the Kentucky Public
- 22                    Pensions Authority and the employee's direct rollover pursuant to 26
- 23                    U.S.C. sec. 401(a)(31) of the entirety of his or her account balance
- 24                    from the money purchase plan qualified under 26 U.S.C. sec. 401(a)
- 25                    and provided as a benefit by the Louisville and Jefferson County
- 26                    Public Defender Corporation;
- 27                    2. The employee's direct rollover shall comply with subsection (9)(a)3. of

1                   Section 5 of this Act and shall be made prior to July 1, 2025; and  
2                   3. The Kentucky Public Pensions Authority and the Kentucky Public  
3                   Employees' Deferred Compensation Authority shall assist the  
4                   Department of Public Advocacy as necessary to implement the past  
5                   service purchases under this paragraph.

6                   (d) The provisions of paragraphs (b)2. and (c) of this subsection are subject to  
7                   funding for the benefits in the executive branch budget. In the event  
8                   funding for the actuarial cost of the monthly insurance contribution benefit  
9                   for past service under paragraph (b)2. of this subsection is not provided in  
10                   the executive branch budget, an employee's purchase of past service under  
11                   this subsection shall not be used to determine eligibility for benefits and the  
12                   amount of benefit for the monthly insurance contribution under KRS  
13                   61.702 or 78.5536. In the event funding for employer contributions to  
14                   purchases of past service credit under paragraph (c) of this subsection is not  
15                   provided in the executive branch budget, the Department of Public  
16                   Advocacy shall not make employer contributions toward the purchase of  
17                   past service credit for employees transferred under subsection (1) of this  
18                   section. Nothing in this paragraph shall prohibit any employee from making  
19                   a service credit purchase under paragraph (a) of this section or Section 5 of  
20                   this Act for which he or she would otherwise qualify.

21                   (7) (a) For employees transferred pursuant to subsection (1) of this section whose  
22                   membership date is prior to January 1, 2014, and who do not elect to  
23                   purchase past service credit under subsection (6) of this section, the  
24                   employee's years of service with the Louisville and Jefferson County Public  
25                   Defender Corporation shall be used toward attaining the necessary years of  
26                   service credit to determine the employee's eligibility for a retirement  
27                   allowance under disability retirement, early retirement, normal retirement,

1 or death under any of the provisions of KRS 16.505 to 16.652, 61.510 to  
2 61.705, or 78.510 to 78.852.

3 (b) For employees employed pursuant to this subsection (1) of this section  
4 whose membership date is on or after January 1, 2014, the employee's years  
5 of service with the Louisville and Jefferson County Public Defender  
6 Corporation shall be used toward attaining the necessary years of service  
7 credit to determine the employee's eligibility for a retirement allowance  
8 under KRS 61.597 or under disability retirement or death under any of the  
9 provisions of KRS 16.505 to 16.652, 61.510 to 61.705, or 78.510 to 78.852.

10 (8) Notwithstanding KRS Chapters 45, 45A, 56, 65, 67, 67C, and any other provision  
11 of law to the contrary:

12 (a) Any lease in the name of the Louisville and Jefferson County Public  
13 Defender Corporation in effect on June 30, 2024, relating to real property,  
14 equipment, goods, or other property, and any contract to which the  
15 Louisville and Jefferson County Public Defender is a party in effect on  
16 June 30, 2024, shall be transferred to the Department of Public Advocacy  
17 effective July 1, 2024;

18 (b) A lease or contract transferred under this subsection shall remain in place  
19 until its date of expiration or termination, whichever occurs first; and

20 (c) Any equipment, goods, or other property transferred from the Louisville and  
21 Jefferson County Public Defender Corporation shall be retained by the  
22 Department of Public Advocacy for use in Jefferson County and shall not  
23 be subject to transfer to other divisions or departments within the Justice  
24 and Public Safety Cabinet or cabinets within the executive branch of state  
25 government without the approval of the public advocate.

26 (9) The Department of Public Advocacy shall not be liable for any damages, losses,  
27 or injuries as the result of an act, omission, or negligence by the Louisville and

1        Jefferson County Public Defender Corporation, its board of directors, officers,  
 2        employees, agents, contractors, or any other person carrying out the mission of  
 3        the Louisville and Jefferson County Public Defender Corporation. Claims made  
 4        against the Louisville and Jefferson County Public Defender Corporation shall  
 5        not be the responsibility of the Department of Public Advocacy, the insurer of any  
 6        insurance policy maintained by the Department of Public Advocacy, or the Office  
 7        of Claims and Appeals.

8        ➔Section 2. KRS 15A.020 is amended to read as follows:

- 9        (1) The Justice and Public Safety Cabinet shall have the following departments:
- 10        (a) Department of Corrections;
- 11        (b) Department of Criminal Justice Training, which shall have the following
- 12        divisions:
- 13                1. Training Operations Division; and
- 14                2. Administrative Division;
- 15        (c) Department of Juvenile Justice, which shall have the following offices and
- 16        divisions:
- 17                1. Office of Program Operations, which shall have the following divisions:
- 18                        a. Division of Western Region;
- 19                        b. Division of Eastern Region; and
- 20                        c. Division of Placement Services;
- 21                2. Office of Support Services, which shall have the following divisions:
- 22                        a. Division of Administrative Services;
- 23                        b. Division of Program Services; and
- 24                        c. Division of Professional Development;
- 25                3. Office of Community and Mental Health Services, which shall have the
- 26        following division:
- 27                a. Division of Community and Mental Health Services;

- 1           4. Office of Detention, which shall require that all detention centers report  
2           to one (1) supervisor who reports directly to the commissioner, and  
3           which shall have the following division:  
4           a. Division of Transportation; and  
5           5. Division of Compliance;
- 6       (d) Department of Kentucky State Police, which shall have the following offices  
7       and divisions:  
8       1. Office of Administrative Services, which shall be headed by an  
9       executive director who shall be appointed by the commissioner of the  
10      Department of Kentucky State Police and who shall report to the  
11      commissioner;  
12      a. Division of Operational Support, which shall be headed by a  
13      director who shall be appointed by the commissioner of the  
14      Department of Kentucky State Police and who shall report to the  
15      executive director of the Office of Administrative Services; and  
16      b. Division of Management Services, which shall be headed by a  
17      director who shall be appointed by the commissioner of the  
18      Department of Kentucky State Police and who shall report to the  
19      executive director of the Office of Administrative Services;
- 20      2. Office of Operations, which shall be headed by an executive director  
21      who shall be appointed by the commissioner of the Department of  
22      Kentucky State Police and who shall report to the commissioner;  
23      a. Division of West Troops, which shall be headed by a director who  
24      shall be appointed by the commissioner of the Department of  
25      Kentucky State Police and who shall report to the executive  
26      director of the Office of Operations;  
27      b. Division of East Troops, which shall be headed by a director who



- 1 shall be appointed by the commissioner of the Department of  
2 Kentucky State Police and who shall report to the executive  
3 director of the Office of Operations;
- 4 c. Division of Special Enforcement, which shall be headed by a  
5 director who shall be appointed by the commissioner of the  
6 Department of Kentucky State Police and who shall report to the  
7 executive director of the Office of Operations; and
- 8 d. Division of Commercial Vehicle Enforcement, which shall be  
9 headed by a director who shall be appointed by the commissioner  
10 of the Department of Kentucky State Police and who shall report  
11 to the executive director of the Office of Operations; and
- 12 3. Office of Technical Services, which shall be headed by an executive  
13 director who shall be appointed by the commissioner of the Department  
14 of Kentucky State Police and who shall report to the commissioner;
- 15 a. Division of Forensic Services, which shall be headed by a director  
16 who shall have a minimum of a bachelor's degree in a natural  
17 science and at least seven (7) years of experience in an accredited  
18 forensic laboratory, who shall be appointed by the commissioner  
19 of the Department of Kentucky State Police, and who shall report  
20 to the executive director of the Office of Technical Services;
- 21 b. Division of Electronic Services, which shall be headed by a  
22 director who shall be appointed by the commissioner of the  
23 Department of Kentucky State Police and who shall report to the  
24 executive director of the Office of Technical Services; and
- 25 c. Division of Records Management, which shall be headed by a  
26 director who shall be appointed by the commissioner of the  
27 Department of Kentucky State Police and who shall report to the

- 1 executive director of the Office of Technical Services; and
- 2 (e) Department of Public Advocacy, which shall have the following divisions:
- 3 1. Protection and Advocacy Division;
- 4 2. Division of Law Operations;
- 5 3. Division of Trial Services;
- 6 4. Division of Post-Trial Services;~~[-and]~~
- 7 5. Division of Conflict and Contract Services; and
- 8 6. Division of Education, Strategic Planning, and Recruitment.

9 (2) Each department, except for the Department of Public Advocacy, shall be headed  
10 by a commissioner who shall be appointed by the secretary of the Justice and Public  
11 Safety Cabinet with the approval of the Governor as required by KRS 12.040. Each  
12 commissioner shall be directly responsible to the secretary and shall have such  
13 functions, powers, and duties as provided by law and as the secretary may  
14 prescribe. The Department of Public Advocacy shall be headed by the public  
15 advocate, appointed as required by KRS 31.020, who shall be directly responsible  
16 to the Public Advocacy Commission. The Department of Public Advocacy is an  
17 independent state agency which shall be attached to the Justice and Public Safety  
18 Cabinet for administrative purposes only. The Justice and Public Safety Cabinet  
19 shall not have control over the Department of Public Advocacy's information  
20 technology equipment and use unless granted access by court order.

21 (3) The Justice and Public Safety Cabinet shall have the following offices and  
22 divisions:

- 23 (a) Office of the Secretary, which shall be headed by a deputy secretary  
24 appointed pursuant to KRS 12.050 and responsible for the direct  
25 administrative support for the secretary and other duties as assigned by the  
26 secretary, and which, with the approval of the secretary, may employ such  
27 staff as necessary to perform the duties, functions, and responsibilities of the

1 office;

2 (b) Office of Human Resource Management, which shall be headed by an  
3 executive director appointed pursuant to KRS 12.050 who shall be responsible  
4 to and report to the secretary and be responsible for all matters relating to  
5 human resources, and who, with the approval of the secretary, may employ  
6 such staff as necessary to perform the duties, functions, and responsibilities of  
7 the office;

8 1. Division of Human Resource Administration, which shall be headed by  
9 a director appointed pursuant to KRS 12.050 who shall report to the  
10 executive director of the Office of Human Resource Management; and

11 2. Division of Employee Management, which shall be headed by a director  
12 appointed pursuant to KRS 12.050 who shall report to the executive  
13 director of the Office of Human Resource Management;

14 (c) Office of Legal Services, which shall be headed by an executive director  
15 appointed pursuant to KRS 12.050 and 12.210, that:

16 1. Shall provide legal representation and services for the cabinet; and

17 2. May investigate all complaints regarding the facilities, staff, treatment  
18 of juveniles, and other matters relating to the operation of the Justice  
19 and Public Safety Cabinet. If it appears that there is a violation of  
20 statutes, administrative regulations, policies, court decisions, the rights  
21 of juveniles who are subject to the orders of the department, or any other  
22 matter relating to the Justice and Public Safety Cabinet, the office shall  
23 report to the secretary of the Justice and Public Safety Cabinet who  
24 shall, if required, refer the matter to a law enforcement agency,  
25 Commonwealth's attorney, county attorney, the Attorney General, or  
26 federal agencies, as appropriate. The office may be used to investigate  
27 matters in which there is a suspicion of violation of written policy,

1 administrative regulation, or statutory law within the Department of  
2 Public Advocacy only when the investigation will have no prejudicial  
3 impact upon a person who has an existing attorney-client relationship  
4 with the Department of Public Advocacy. Notwithstanding the  
5 provisions of this subparagraph, investigation and discipline of KRS  
6 Chapter 16 personnel shall continue to be conducted by the Department  
7 of Kentucky State Police pursuant to KRS Chapter 16. The office shall  
8 conduct no other investigations under the authority granted in this  
9 subparagraph. The secretary may, by administrative order, assign the  
10 investigative functions in this subparagraph to a branch within the  
11 office.

12 The executive director shall be directly responsible to and report to the  
13 secretary and, with the approval of the secretary, may employ such attorneys  
14 appointed pursuant to KRS 12.210 and other staff as necessary to perform the  
15 duties, functions, and responsibilities of the office;

16 (d) Office of Legislative and Intergovernmental Services, which shall be headed  
17 by an executive director appointed pursuant to KRS 12.050 who shall be  
18 responsible for all matters relating to the provision of support to the Criminal  
19 Justice Council, legislative liaison services, and functions and duties vested in  
20 the Criminal Justice Council as described in KRS 15A.030. The executive  
21 director shall be directly responsible to and report to the secretary and may  
22 employ such staff as necessary to perform the duties, functions, and  
23 responsibilities of the office;

24 (e) Office of Communications, which shall be headed by an executive director  
25 appointed by the secretary of the Justice and Public Safety Cabinet pursuant to  
26 KRS 12.050 who shall be responsible to report to the secretary and be  
27 responsible for all matters relating to communications, and who, with the

- 1 approval of the secretary, may employ such staff as necessary to perform the  
2 duties, functions, and responsibilities of the office;
- 3 1. Information and Technology Services Division, which shall be headed  
4 by a director appointed by the secretary of the Justice and Public Safety  
5 Cabinet pursuant to KRS 12.050 who shall report to the executive  
6 director of the Office of Communications;
- 7 (f) Office of Financial Management Services, which shall be headed by an  
8 executive director appointed by the secretary of the Justice and Public Safety  
9 Cabinet pursuant to KRS 12.050 who shall be responsible to report to the  
10 secretary and be responsible for all matters relating to fiscal functions, and  
11 who, with the approval of the secretary, may employ such staff as necessary  
12 to perform the duties, functions, and responsibilities of the office;
- 13 1. Division of Financial Management, which shall be headed by a director  
14 appointed by the secretary of the Justice and Public Safety Cabinet  
15 pursuant to KRS 12.050 who shall report to the executive director of the  
16 Office of Financial Management Services;
- 17 (g) Grants Management Division, which shall be headed by a director appointed  
18 by the secretary of the Justice and Public Safety Cabinet pursuant to KRS  
19 12.050 who shall be responsible to report to the secretary and be responsible  
20 for all matters relating to state and federal grants management, and who, with  
21 the approval of the secretary, may employ such staff as necessary to perform  
22 the duties, functions, and responsibilities of the office;
- 23 (h) Office of the Kentucky State Medical Examiner, which shall be headed by a  
24 chief medical examiner appointed pursuant to KRS 72.240 who shall be  
25 responsible for all matters relating to forensic pathology and forensic  
26 toxicology and other duties as assigned by the secretary. The executive  
27 director appointed pursuant to KRS 12.050 shall be responsible for all matters

1 related to the administrative support of the Office of the State Medical  
2 Examiner. The executive director shall report directly to the secretary and  
3 with the approval of the secretary may employ such administrative support  
4 staff as necessary to perform the administrative duties, functions, and  
5 responsibilities of the office. The chief medical examiner shall be directly  
6 responsible to and report to the secretary and may employ such staff as  
7 necessary to perform the forensic duties, functions, and responsibilities of the  
8 office; and

- 9 (i) Office of Drug Control Policy, which shall be headed by an executive director  
10 appointed pursuant to KRS 12.050 who shall be responsible for all matters  
11 relating to the research, coordination, and execution of drug control policy  
12 and for the management of state and federal grants, including but not limited  
13 to the prevention and treatment related to substance abuse. By December 31  
14 of each year, the Office of Drug Control Policy shall review, approve, and  
15 coordinate all current projects of any substance abuse program which is  
16 conducted by or receives funding through agencies of the executive branch.  
17 This oversight shall extend to all substance abuse programs which are  
18 principally related to the prevention or treatment, or otherwise targeted at the  
19 reduction, of substance abuse in the Commonwealth. The Office of Drug  
20 Control Policy shall promulgate administrative regulations consistent with  
21 enforcing this oversight authority. The executive director shall be directly  
22 responsible to and report to the secretary and may employ such staff as  
23 necessary to perform the duties, functions, and responsibilities of the office.

24 ➔Section 3. KRS 18A.115 is amended to read as follows:

- 25 (1) The classified service to which KRS 18A.005 to 18A.200 shall apply shall comprise  
26 all positions in the state service now existing or hereafter established, except the  
27 following:

- 1 (a) The General Assembly and employees of the General Assembly, including the  
2 employees of the Legislative Research Commission;
- 3 (b) Officers elected by popular vote and persons appointed to fill vacancies in  
4 elective offices;
- 5 (c) Members of boards and commissions;
- 6 (d) Officers and employees on the staff of the Governor, the Lieutenant  
7 Governor, the Office of the Secretary of the Governor's Cabinet, and the  
8 Office of Program Administration;
- 9 (e) Cabinet secretaries, commissioners, office heads, and the administrative heads  
10 of all boards and commissions, including the executive director of Kentucky  
11 Educational Television;
- 12 (f) Employees of Kentucky Educational Television who have been determined to  
13 be exempt from classified service by the Kentucky Authority for Educational  
14 Television, which shall have sole authority over such exempt employees for  
15 employment, dismissal, and setting of compensation, up to the maximum  
16 established for the executive director and his *or her* principal assistants;
- 17 (g) One (1) principal assistant or deputy for each person exempted under  
18 subsection (1)(e) of this section;
- 19 (h) One (1) additional principal assistant or deputy as may be necessary for  
20 making and carrying out policy for each person exempted under subsection  
21 (1)(e) of this section in those instances in which the nature of the functions,  
22 size, or complexity of the unit involved are such that the secretary approves  
23 such an addition on petition of the relevant cabinet secretary or department  
24 head and such other principal assistants, deputies, or other major assistants as  
25 may be necessary for making and carrying out policy for each person  
26 exempted under subsection (1)(e) of this section in those instances in which  
27 the nature of the functions, size, or complexity of the unit involved are such

1 that the board may approve such an addition or additions on petition of the  
2 department head approved by the secretary. Effective August 1, 2010:

- 3 1. All positions approved under this paragraph prior to August 1, 2010,  
4 shall be abolished effective December 31, 2010, unless reapproved  
5 under subparagraph 2. of this paragraph; and
  - 6 2. A position approved under this paragraph on or after August 1, 2010,  
7 shall be approved for a period of five (5) years, after which time the  
8 position shall be abolished unless reapproved under this subparagraph  
9 for an additional five (5) year period;
- 10 (i) Division directors subject to the provisions of KRS 18A.170. Division  
11 directors in the classified service as of January 1, 1980, shall remain in the  
12 classified service;
  - 13 (j) Physicians employed as such;
  - 14 (k) One (1) private secretary for each person exempted under subsection (1)(e),  
15 (g), and (h) of this section;
  - 16 (l) The judicial department, referees, receivers, jurors, and notaries public;
  - 17 (m) Officers and members of the staffs of state universities and colleges and  
18 student employees of such institutions; officers and employees of the  
19 Teachers' Retirement System; and officers, teachers, and employees of local  
20 boards of education;
  - 21 (n) Patients or inmates employed in state institutions;
  - 22 (o) Persons employed in a professional or scientific capacity to make or conduct a  
23 temporary or special inquiry, investigation, or examination on behalf of the  
24 General Assembly, or a committee thereof, or by authority of the Governor,  
25 and persons employed by state agencies for a specified, limited period to  
26 provide professional, technical, scientific, or artistic services under the  
27 provisions of KRS 45A.690 to 45A.725;



- 1 (p) Interim employees;
- 2 (q) Officers and members of the state militia;
- 3 (r) Department of Kentucky State Police troopers;
- 4 (s) University or college engineering students or other students employed part-
- 5 time or part-year by the state through special personnel recruitment programs;
- 6 provided that while so employed such aides shall be under contract to work
- 7 full-time for the state after graduation for a period of time approved by the
- 8 commissioner or shall be participants in a cooperative education program
- 9 approved by the commissioner;
- 10 (t) Superintendents of state mental institutions, including heads of centers for
- 11 individuals with an intellectual disability, and penal and correctional
- 12 institutions as referred to in KRS 196.180(2);
- 13 (u) Staff members of the Kentucky Historical Society, if they are hired in
- 14 accordance with KRS 171.311;
- 15 (v) County and Commonwealth's attorneys and their respective appointees;
- 16 (w) Chief district engineers and the state highway engineer;
- 17 (x) Veterinarians employed as such by the Kentucky Horse Racing Commission;
- 18 (y) Employees of the Kentucky Peace Corps;
- 19 (z) Employees of the Council on Postsecondary Education;
- 20 (aa) Executive director of the Commonwealth Office of Technology;
- 21 (ab) Employees of Serve Kentucky;
- 22 (ac) Persons employed in certified teaching positions at the Kentucky School for
- 23 the Blind and the Kentucky School for the Deaf;
- 24 (ad) Federally funded time-limited employees as defined in KRS 18A.005; and
- 25 (ae) Employees of the Department of Agriculture who are employed to support the
- 26 Agricultural Development Board and the Kentucky Agricultural Finance
- 27 Corporation.

- 1 (2) Nothing in KRS 18A.005 to 18A.200 is intended, or shall be construed, to alter or  
2 amend the provisions of KRS 150.022 and 150.061.
- 3 (3) Nothing in KRS 18A.005 to 18A.200 is intended or shall be construed to affect any  
4 nonmanagement, nonpolicy-making position which must be included in the  
5 classified service as a prerequisite to the grant of federal funds to a state agency.
- 6 (4) Career employees within the classified service promoted to positions exempted  
7 from classified service shall, upon termination of their employment in the exempted  
8 service, revert to a position in that class in the agency from which they were  
9 terminated if a vacancy in that class exists. If no such vacancy exists, they shall be  
10 considered for employment in any vacant position for which they were qualified  
11 pursuant to KRS 18A.130 and 18A.135.
- 12 (5) Nothing in KRS 18A.005 to 18A.200 shall be construed as precluding appointing  
13 officers from filling unclassified positions in the manner in which positions in the  
14 classified service are filled except as otherwise provided in KRS 18A.005 to  
15 18A.200.
- 16 (6) The positions of employees who are transferred, effective July 1, 1998, from the  
17 Cabinet for Workforce Development to the Kentucky Community and Technical  
18 College System shall be abolished and the employees' names removed from the  
19 roster of state employees. Employees that are transferred, effective July 1, 1998, to  
20 the Kentucky Community and Technical College System under KRS Chapter 164  
21 shall have the same benefits and rights as they had under KRS Chapter 18A and  
22 have under KRS 164.5805; however, they shall have no guaranteed reemployment  
23 rights in the KRS Chapter 151B or KRS Chapter 18A personnel systems. An  
24 employee who seeks reemployment in a state position under KRS Chapter 151B or  
25 KRS Chapter 18A shall have years of service in the Kentucky Community and  
26 Technical College System counted towards years of experience for calculating  
27 benefits and compensation.

1 (7) On August 15, 2000, all certified and equivalent personnel, all unclassified  
2 personnel, and all certified and equivalent and unclassified vacant positions in the  
3 Department for Adult Education and Literacy shall be transferred from the  
4 personnel system under KRS Chapter 151B to the personnel system under KRS  
5 Chapter 18A. The positions shall be deleted from the KRS Chapter 151B personnel  
6 system. All records shall be transferred including accumulated annual leave, sick  
7 leave, compensatory time, and service credit for each affected employee. The  
8 personnel officers who administer the personnel systems under KRS Chapter 151B  
9 and KRS Chapter 18A shall exercise the necessary administrative procedures to  
10 effect the change in personnel authority. No certified or equivalent employee in the  
11 Department for Adult Education and Literacy shall suffer any penalty in the  
12 transfer.

13 (8) On August 15, 2000, secretaries and assistants attached to policymaking positions  
14 in the Department for Technical Education and the Department for Adult Education  
15 and Literacy shall be transferred from the personnel system under KRS Chapter  
16 151B to the personnel system under KRS Chapter 18A. The positions shall be  
17 deleted from the KRS Chapter 151B system. All records shall be transferred  
18 including accumulated annual leave, sick leave, compensatory time, and service  
19 credit for each affected employee. No employee shall suffer any penalty in the  
20 transfer.

21 (9) On May 1, 2017, all contract employees of Eastern Kentucky University who are  
22 engaged in providing instructional and support services to the Department of  
23 Criminal Justice Training shall be transferred to the personnel system under KRS  
24 Chapter 18A. All records shall be transferred, including accumulated annual leave,  
25 sick leave, compensatory time, and service credit for each affected employee. The  
26 personnel officers who administer the personnel systems for Eastern Kentucky  
27 University and under KRS Chapter 18A shall exercise the necessary administrative

1 procedures to effect the change in personnel authority. No employee shall suffer  
2 any penalty in the transfer.

3 **(10) On July 1, 2024, all employees of the Louisville and Jefferson County Public**  
4 **Defender Corporation shall be transferred to the personnel system under KRS**  
5 **Chapter 18A. Records of each employee's job classification, compensation, dates**  
6 **of employment, dates of professional licensure, probationary status, accumulated**  
7 **leave balances by category, months of service, and any other information**  
8 **necessary under KRS Chapter 18A shall be transferred. The personnel officers**  
9 **who administer the personnel systems for the Louisville and Jefferson County**  
10 **Public Defender Corporation and under KRS Chapter 18A shall exercise the**  
11 **necessary administrative procedures to effect the change in the personnel**  
12 **authority. No employee shall suffer any penalty in the transfer.**

13 ➔Section 4. KRS 61.510 is amended to read as follows:

14 As used in KRS 61.510 to 61.705, unless the context otherwise requires:

- 15 (1) "System" means the Kentucky Employees Retirement System created by KRS  
16 61.510 to 61.705;
- 17 (2) "Board" means the board of trustees of the system as provided in KRS 61.645;
- 18 (3) "Department" means any state department or board or agency participating in the  
19 system in accordance with appropriate executive order, as provided in KRS 61.520.  
20 For purposes of KRS 61.510 to 61.705, the members, officers, and employees of the  
21 General Assembly and any other body, entity, or instrumentality designated by  
22 executive order by the Governor, shall be deemed to be a department,  
23 notwithstanding whether said body, entity, or instrumentality is an integral part of  
24 state government;
- 25 (4) "Examiner" means the medical examiners as provided in KRS 61.665;
- 26 (5) "Employee" means the members, officers, and employees of the General Assembly  
27 and every regular full-time, appointed or elective officer or employee of a

- 1 participating department, including the Department of Military Affairs. The term  
2 does not include persons engaged as independent contractors, seasonal, emergency,  
3 temporary, interim, and part-time workers. In case of any doubt, the board shall  
4 determine if a person is an employee within the meaning of KRS 61.510 to 61.705;
- 5 (6) "Employer" means a department or any authority of a department having the power  
6 to appoint or select an employee in the department, including the Senate and the  
7 House of Representatives, or any other entity, the employees of which are eligible  
8 for membership in the system pursuant to KRS 61.525;
- 9 (7) "State" means the Commonwealth of Kentucky;
- 10 (8) "Member" means any employee who is included in the membership of the system  
11 or any former employee whose membership has not been terminated under KRS  
12 61.535;
- 13 (9) "Service" means the total of current service and prior service as defined in this  
14 section;
- 15 (10) "Current service" means the number of years and months of employment as an  
16 employee, on and after July 1, 1956, except that for members, officers, and  
17 employees of the General Assembly this date shall be January 1, 1960, for which  
18 creditable compensation is paid and employee contributions deducted, except as  
19 otherwise provided, and each member, officer, and employee of the General  
20 Assembly shall be credited with a month of current service for each month he or  
21 she serves in the position;
- 22 (11) "Prior service" means the number of years and completed months, expressed as a  
23 fraction of a year, of employment as an employee, prior to July 1, 1956, for which  
24 creditable compensation was paid; except that for members, officers, and  
25 employees of the General Assembly, this date shall be January 1, 1960. An  
26 employee shall be credited with one (1) month of prior service only in those months  
27 he or she received compensation for at least one hundred (100) hours of work;

1 provided, however, that each member, officer, and employee of the General  
2 Assembly shall be credited with a month of prior service for each month he or she  
3 served in the position prior to January 1, 1960. Twelve (12) months of current  
4 service in the system are required to validate prior service;

5 (12) "Accumulated contributions" at any time means the sum of all amounts deducted  
6 from the compensation of a member and credited to his or her individual account in  
7 the members' account, including employee contributions picked up after August 1,  
8 1982, pursuant to KRS 61.560(4), together with interest credited, on such amounts  
9 and any other amounts the member shall have contributed thereto, including interest  
10 credited thereon. For members who begin participating on or after September 1,  
11 2008, "accumulated contributions" shall not include employee contributions that are  
12 deposited into accounts established pursuant to 26 U.S.C. sec. 401(h) within the  
13 funds established in KRS 16.510 and 61.515, as prescribed by KRS 61.702(3)(b);

14 (13) "Creditable compensation":

15 (a) Means all salary, wages, tips to the extent the tips are reported for income tax  
16 purposes, and fees, including payments for compensatory time, paid to the  
17 employee as a result of services performed for the employer or for time during  
18 which the member is on paid leave, which are includable on the member's  
19 federal form W-2 wage and tax statement under the heading "wages, tips,  
20 other compensation," including employee contributions picked up after  
21 August 1, 1982, pursuant to KRS 61.560(4). For members of the General  
22 Assembly, it shall mean all amounts which are includable on the member's  
23 federal form W-2 wage and tax statement under the heading "wages, tips,  
24 other compensation," including employee contributions picked up after  
25 August 1, 1982, pursuant to KRS 6.505(4) or 61.560(4);

26 (b) Includes:

27 1. Lump-sum bonuses, severance pay, or employer-provided payments for

- 1 purchase of service credit, which shall be averaged over the employee's  
2 total service with the system in which it is recorded if it is equal to or  
3 greater than one thousand dollars (\$1,000);
- 4 2. Cases where compensation includes maintenance and other perquisites,  
5 but the board shall fix the value of that part of the compensation not paid  
6 in money;
- 7 3. Lump-sum payments for creditable compensation paid as a result of an  
8 order of a court of competent jurisdiction, the Personnel Board, or the  
9 Commission on Human Rights, or for any creditable compensation paid  
10 in anticipation of settlement of an action before a court of competent  
11 jurisdiction, the Personnel Board, or the Commission on Human Rights,  
12 including notices of violations of state or federal wage and hour statutes  
13 or violations of state or federal discrimination statutes, which shall be  
14 credited to the fiscal year during which the wages were earned or should  
15 have been paid by the employer. This subparagraph shall also include  
16 lump-sum payments for reinstated wages pursuant to KRS 61.569,  
17 which shall be credited to the period during which the wages were  
18 earned or should have been paid by the employer;
- 19 4. Amounts which are not includable in the member's gross income by  
20 virtue of the member having taken a voluntary salary reduction provided  
21 for under applicable provisions of the Internal Revenue Code; and
- 22 5. Elective amounts for qualified transportation fringes paid or made  
23 available on or after January 1, 2001, for calendar years on or after  
24 January 1, 2001, that are not includable in the gross income of the  
25 employee by reason of 26 U.S.C. sec. 132(f)(4); and
- 26 (c) Excludes:
- 27 1. Living allowances, expense reimbursements, lump-sum payments for

- 1 accrued vacation leave, and other items determined by the board;
- 2 2. For employees who begin participating on or after September 1, 2008,
- 3 lump-sum payments for compensatory time;
- 4 3. For employees who begin participating on or after August 1, 2016,
- 5 nominal fees paid for services as a volunteer; and
- 6 4. Any salary or wages paid to an employee for services as a Kentucky
- 7 State Police school resource officer as defined by KRS 158.441;

8 (14) "Final compensation" of a member means:

- 9 (a) For a member who begins participating before September 1, 2008, who is
- 10 employed in a nonhazardous position, the creditable compensation of the
- 11 member during the five (5) fiscal years he or she was paid at the highest
- 12 average monthly rate divided by the number of months of service credit
- 13 during that five (5) year period multiplied by twelve (12). The five (5) years
- 14 may be fractional and need not be consecutive. If the number of months of
- 15 service credit during the five (5) year period is less than forty-eight (48), one
- 16 (1) or more additional fiscal years shall be used;
- 17 (b) For a member who is employed in a nonhazardous position, whose effective
- 18 retirement date is between August 1, 2001, and January 1, 2009, and whose
- 19 total service credit is at least twenty-seven (27) years and whose age and years
- 20 of service total at least seventy-five (75), final compensation means the
- 21 creditable compensation of the member during the three (3) fiscal years the
- 22 member was paid at the highest average monthly rate divided by the number
- 23 of months of service credit during that three (3) years period multiplied by
- 24 twelve (12). The three (3) years may be fractional and need not be
- 25 consecutive. If the number of months of service credit during the three (3)
- 26 year period is less than twenty-four (24), one (1) or more additional fiscal
- 27 years shall be used. Notwithstanding the provision of KRS 61.565, the



1 funding for this paragraph shall be provided from existing funds of the  
2 retirement allowance;

3 (c) For a member who begins participating before September 1, 2008, who is  
4 employed in a hazardous position, as provided in KRS 61.592, the creditable  
5 compensation of the member during the three (3) fiscal years he or she was  
6 paid at the highest average monthly rate divided by the number of months of  
7 service credit during that three (3) year period multiplied by twelve (12). The  
8 three (3) years may be fractional and need not be consecutive. If the number  
9 of months of service credit during the three (3) year period is less than twenty-  
10 four (24), one (1) or more additional fiscal years shall be used;

11 (d) For a member who begins participating on or after September 1, 2008, but  
12 prior to January 1, 2014, who is employed in a nonhazardous position, the  
13 creditable compensation of the member during the five (5) complete fiscal  
14 years immediately preceding retirement divided by five (5). Each fiscal year  
15 used to determine final compensation must contain twelve (12) months of  
16 service credit. If the member does not have five (5) complete fiscal years that  
17 each contain twelve (12) months of service credit, then one (1) or more  
18 additional fiscal years, which may contain less than twelve (12) months of  
19 service credit, shall be added until the number of months in the final  
20 compensation calculation is at least sixty (60) months; or

21 (e) For a member who begins participating on or after September 1, 2008, but  
22 prior to January 1, 2014, who is employed in a hazardous position as provided  
23 in KRS 61.592, the creditable compensation of the member during the three  
24 (3) complete fiscal years he or she was paid at the highest average monthly  
25 rate divided by three (3). Each fiscal year used to determine final  
26 compensation must contain twelve (12) months of service credit. If the  
27 member does not have three (3) complete fiscal years that each contain twelve

1 (12) months of service credit, then one (1) or more additional fiscal years,  
2 which may contain less than twelve (12) months of service credit, shall be  
3 added until the number of months in the final compensation calculation is at  
4 least thirty-six (36) months;

5 (15) "Final rate of pay" means the actual rate upon which earnings of an employee were  
6 calculated during the twelve (12) month period immediately preceding the  
7 member's effective retirement date, including employee contributions picked up  
8 after August 1, 1982, pursuant to KRS 61.560(4). The rate shall be certified to the  
9 system by the employer and the following equivalents shall be used to convert the  
10 rate to an annual rate: two thousand eighty (2,080) hours for eight (8) hour  
11 workdays, nineteen hundred fifty (1,950) hours for seven and one-half (7-1/2) hour  
12 workdays, two hundred sixty (260) days, fifty-two (52) weeks, twelve (12) months,  
13 one (1) year;

14 (16) "Retirement allowance" means the retirement payments to which a member is  
15 entitled;

16 (17) "Actuarial equivalent" means a benefit of equal value when computed upon the  
17 basis of the actuarial tables that are adopted by the board. In cases of disability  
18 retirement, the options authorized by KRS 61.635 shall be computed by adding ten  
19 (10) years to the age of the member, unless the member has chosen the Social  
20 Security adjustment option as provided for in KRS 61.635(8), in which case the  
21 member's actual age shall be used. For members who began participating in the  
22 system prior to January 1, 2014, no disability retirement option shall be less than  
23 the same option computed under early retirement;

24 (18) "Normal retirement date" means the sixty-fifth birthday of a member, unless  
25 otherwise provided in KRS 61.510 to 61.705;

26 (19) "Fiscal year" of the system means the twelve (12) months from July 1 through the  
27 following June 30, which shall also be the plan year. The "fiscal year" shall be the

1 limitation year used to determine contribution and benefit limits as established by  
2 26 U.S.C. sec. 415;

3 (20) "Officers and employees of the General Assembly" means the occupants of those  
4 positions enumerated in KRS 6.150. The term shall also apply to assistants who  
5 were employed by the General Assembly for at least one (1) regular legislative  
6 session prior to July 13, 2004, who elect to participate in the retirement system, and  
7 who serve for at least six (6) regular legislative sessions. Assistants hired after July  
8 13, 2004, shall be designated as interim employees;

9 (21) "Regular full-time positions," as used in subsection (5) of this section, shall mean  
10 all positions that average one hundred (100) or more hours per month determined  
11 by using the number of months actually worked within a calendar or fiscal year,  
12 including all positions except:

13 (a) Seasonal positions, which although temporary in duration, are positions which  
14 coincide in duration with a particular season or seasons of the year and which  
15 may recur regularly from year to year, the period of time shall not exceed nine  
16 (9) months;

17 (b) Emergency positions which are positions utilized by the employer during:  
18 1. An emergency as determined by the employer for a period not  
19 exceeding thirty (30) working days and are nonrenewable; or  
20 2. A state of emergency declared by the President of the United States or  
21 the Governor of the Commonwealth of Kentucky that are created or  
22 filled specifically for addressing the employer's needs during and as a  
23 result of the declared emergency;

24 (c) Temporary positions which are positions of employment with a participating  
25 department for a period of time not to exceed nine (9) months and are  
26 nonrenewable;

27 (d) Part-time positions which are positions which may be permanent in duration,

1 but which require less than a calendar or fiscal year average of one hundred  
2 (100) hours of work per month, determined by using the number of months  
3 actually worked within a calendar or fiscal year, in the performance of duty;  
4 and

5 (e) Interim positions which are positions established for a one-time or recurring  
6 need not to exceed nine (9) months;

7 (22) "Vested" for purposes of determining eligibility for purchasing service credit under  
8 KRS 61.552 means the employee has at least forty-eight (48) months of service if  
9 age sixty-five (65) or older or at least sixty (60) months of service if under the age  
10 of sixty-five (65). For purposes of this subsection, "service" means service in the  
11 systems administered by the Kentucky Retirement Systems and County Employees  
12 Retirement System;

13 (23) "Parted employer" means a department, portion of a department, board, or agency,  
14 such as Outwood Hospital and School, which previously participated in the system,  
15 but due to lease or other contractual arrangement is now operated by a publicly held  
16 corporation or other similar organization, and therefore is no longer participating in  
17 the system. The term "parted employer" shall not include a department, board, or  
18 agency that ceased participation in the system pursuant to KRS 61.522;

19 (24) "Retired member" means any former member receiving a retirement allowance or  
20 any former member who has filed the necessary documents for retirement benefits  
21 and is no longer contributing to the retirement system;

22 (25) "Current rate of pay" means the member's actual hourly, daily, weekly, biweekly,  
23 monthly, or yearly rate of pay converted to an annual rate as defined in final rate of  
24 pay. The rate shall be certified by the employer;

25 (26) "Beneficiary" means the person or persons or estate or trust or trustee designated by  
26 the member in accordance with KRS 61.542 or 61.705 to receive any available  
27 benefits in the event of the member's death. As used in KRS 61.702, "beneficiary"

- 1 does not mean an estate, trust, or trustee;
- 2 (27) "Recipient" means the retired member or the person or persons designated as  
3 beneficiary by the member and drawing a retirement allowance as a result of the  
4 member's death or a dependent child drawing a retirement allowance. An alternate  
5 payee of a qualified domestic relations order shall not be considered a recipient,  
6 except for purposes of KRS 61.623;
- 7 (28) "Level percentage of payroll amortization method" means a method of determining  
8 the annual amortization payment on the unfunded actuarial accrued liability as  
9 expressed as a percentage of payroll over a set period of years but that may be  
10 converted to a dollar value for purposes of KRS 61.565(1)(d). Under this method,  
11 the percentage of payroll shall be projected to remain constant for all years  
12 remaining in the set period of time and the unfunded actuarially accrued liability  
13 shall be projected to be fully amortized at the conclusion of the set period of years;
- 14 (29) "Increment" means twelve (12) months of service credit which are purchased. The  
15 twelve (12) months need not be consecutive. The final increment may be less than  
16 twelve (12) months;
- 17 (30) "Person" means a natural person;
- 18 (31) "Retirement office" means the Kentucky Public Pensions Authority's office  
19 building in Frankfort, unless otherwise designated by the Kentucky Public Pensions  
20 Authority;
- 21 (32) "Last day of paid employment" means the last date employer and employee  
22 contributions are required to be reported in accordance with KRS 16.543, 61.543, or  
23 78.615 to the retirement office in order for the employee to receive current service  
24 credit for the month. Last day of paid employment does not mean a date the  
25 employee receives payment for accrued leave, whether by lump sum or otherwise,  
26 if that date occurs twenty-four (24) or more months after previous contributions;
- 27 (33) "Objective medical evidence" means reports of examinations or treatments; medical

1 signs which are anatomical, physiological, or psychological abnormalities that can  
2 be observed; psychiatric signs which are medically demonstrable phenomena  
3 indicating specific abnormalities of behavior, affect, thought, memory, orientation,  
4 or contact with reality; or laboratory findings which are anatomical, physiological,  
5 or psychological phenomena that can be shown by medically acceptable laboratory  
6 diagnostic techniques, including but not limited to chemical tests,  
7 electrocardiograms, electroencephalograms, X-rays, and psychological tests;

8 (34) "Participating" means an employee is currently earning service credit in the system  
9 as provided in KRS 61.543;

10 (35) "Month" means a calendar month;

11 (36) "Membership date" means:

12 (a) The date upon which the member began participating in the system as  
13 provided in KRS 61.543;

14 (b) For a member electing to participate in the system pursuant to KRS  
15 196.167(4) or 311A.022(2) who has not previously participated in the system  
16 or the Kentucky Teachers' Retirement System, the date the member began  
17 participating in a defined contribution plan that meets the requirements of 26  
18 U.S.C. sec. 403(b);~~or~~

19 (c) For members bound by an educational contract as a conditional employee to  
20 the state of Kentucky prior to December 31, 2003, the date on which the  
21 educational contract became effective; or

22 (d) For a member participating in the system pursuant to Section 1 of this Act,  
23 the earlier of the date upon which the member began participating in the  
24 system under paragraph (a) of this subsection or the date the member began  
25 employment with the Louisville and Jefferson County Public Defender  
26 Corporation;

27 (37) "Participant" means a member, as defined by subsection (8) of this section, or a

- 1 retired member, as defined by subsection (24) of this section;
- 2 (38) "Qualified domestic relations order" means any judgment, decree, or order,  
3 including approval of a property settlement agreement, that:
- 4 (a) Is issued by a court or administrative agency; and
- 5 (b) Relates to the provision of child support, alimony payments, or marital  
6 property rights to an alternate payee;
- 7 (39) "Alternate payee" means a spouse, former spouse, child, or other dependent of a  
8 participant, who is designated to be paid retirement benefits in a qualified domestic  
9 relations order;
- 10 (40) "Accumulated employer credit" mean the employer pay credit deposited to the  
11 member's account and interest credited on such amounts as provided by KRS  
12 16.583 and 61.597;
- 13 (41) "Accumulated account balance" means:
- 14 (a) For members who began participating in the system prior to January 1, 2014,  
15 the member's accumulated contributions; or
- 16 (b) For members who began participating in the system on or after January 1,  
17 2014, in the hybrid cash balance plan as provided by KRS 16.583 and 61.597,  
18 the combined sum of the member's accumulated contributions and the  
19 member's accumulated employer credit;
- 20 (42) "Volunteer" means an individual who:
- 21 (a) Freely and without pressure or coercion performs hours of service for an  
22 employer participating in one (1) of the systems administered by Kentucky  
23 Retirement Systems without receipt of compensation for services rendered,  
24 except for reimbursement of actual expenses, payment of a nominal fee to  
25 offset the costs of performing the voluntary services, or both; and
- 26 (b) If a retired member, does not become an employee, leased employee, or  
27 independent contractor of the employer for which he or she is performing

1 volunteer services for a period of at least twelve (12) months following the  
2 retired member's most recent retirement date;

3 (43) "Nominal fee" means compensation earned for services as a volunteer that does not  
4 exceed five hundred dollars (\$500) per month with each participating employer.  
5 Compensation earned for services as a volunteer from more than one (1)  
6 participating employer during a month shall not be aggregated to determine whether  
7 the compensation exceeds the five hundred dollars (\$500) per month maximum  
8 provided by this subsection;

9 (44) "Nonhazardous position" means a position that does not meet the requirements of  
10 KRS 61.592 or has not been approved by the board as a hazardous position;

11 (45) "Monthly average pay" means:

12 (a) In the case of a member who dies as a direct result of an act in line of duty as  
13 defined in KRS 16.505 or who dies as a result of a duty-related injury as  
14 defined in KRS 61.621, the higher of the member's monthly final rate of pay  
15 or the average monthly creditable compensation earned by the deceased  
16 member during his or her last twelve (12) months of employment; or

17 (b) In the case where a member becomes totally and permanently disabled as a  
18 direct result of an act in line of duty as defined in KRS 16.505 or becomes  
19 disabled as a result of a duty-related injury as defined in KRS 61.621 and is  
20 eligible for the benefits provided by KRS 61.621(5)(a), the higher of the  
21 member's monthly final rate of pay or the average monthly creditable  
22 compensation earned by the disabled member during his or her last twelve  
23 (12) months of employment prior to the date the act in line of duty or duty-  
24 related injury occurred;

25 (46) "Authority" means the Kentucky Public Pensions Authority as provided by KRS  
26 61.505;

27 (47) "Executive director" means the executive director of the Kentucky Public Pensions



1 Authority; and

2 (48) "Instructional staff" means the employees of a state college or university  
3 participating under KRS 61.520 who are:

4 (a) Faculty;

5 (b) Staff responsible for teaching; or

6 (c) Other individuals employed in an administrative position that is eligible for  
7 participation in the Teachers' Insurance and Annuity Association (TIAA) of  
8 the Teachers' Retirement System.

9 ➔Section 5. KRS 61.552 is amended to read as follows:

10 (1) Called to Active Duty Military Service. An employee of an employer participating  
11 in the system who is called to active military duty in the Armed Forces of the  
12 United States shall be credited in accordance with 38 U.S.C. sec. 4318 with service  
13 credit, creditable compensation, and in the case of employees participating in the  
14 hybrid cash balance plan, employee contributions, employer credits, and interest  
15 credits, for a period of active military duty of up to six (6) years, provided:

16 (a) The employee was called to active military duty in the Armed Forces of the  
17 United States:

18 1. After he or she began participating in the system and provided the  
19 employee was on leave of absence from the employer and did not  
20 withdraw his or her accumulated account balance; or

21 2. Prior to the date he or she began participating in the system and  
22 terminated employment with his or her employer;

23 (b) The employee entered active military service within three (3) months of his or  
24 her last day of paid employment;

25 (c) His or her discharge military service was terminated in a manner other than as  
26 described in 38 U.S.C. sec. 4304; and

27 (d) He or she returns to work with an employer participating in the system within

1 two (2) years after completion of the period of active military duty, or upon  
2 the subsequent termination of any total disability which existed at the  
3 expiration of the two (2) years after discharge.

4 For periods of active military duty that meet the requirements of this subsection, the  
5 employer shall pay the employer contributions payable under KRS 61.565, 61.702,  
6 78.5536, and 78.635.

7 (2) (a) Omitted Service. Any person who is entitled to service credit for employment  
8 which was not reported by the employer in accordance with KRS 16.543,  
9 61.543, or 78.615 may obtain credit for the service subject to the provisions of  
10 this subsection.

11 (b) Provided the person pays for the omitted service with within six (6) months of  
12 notification by the system, the cost of the service shall be equal to the  
13 employee contributions that would have been paid if the person had been  
14 correctly reported in accordance with KRS 16.543, 61.543, or 78.615.

15 (c) Any employee participating in one (1) of the state-administered retirement  
16 systems entitled to service credit under paragraph (a) of this subsection who  
17 has not repaid the employee contributions due within six (6) months of  
18 notification by the system may purchase the credit after the six (6) months by  
19 paying to the system the employee contributions plus interest at the actuarially  
20 assumed rate from the date of initial notification under paragraph (b) of this  
21 subsection.

22 (d) Omitted service purchased under this subsection shall:

23 1. Be considered service credited under KRS 16.543(1), 61.543(1), or  
24 78.615(1) for purposes of determining eligibility for retirement benefits  
25 under KRS 78.510 to 78.852; and

26 2. Not be credited to the member's account until the employer  
27 contributions due and any interest or penalties on the delinquent

1            employer contributions for the period of omitted service are received by  
2            the system.

3            (e) Employees who begin participating on or after January 1, 2014, in the hybrid  
4            cash balance plan provided by KRS 16.583 or 61.597 or 78.5512 or 78.5516  
5            shall, upon payment of the employee and employer contributions due under  
6            this subsection, have their accumulated account balance increased by the  
7            employee contributions, employer pay credits, and interest credits that would  
8            have been credited to their member's account if the contributions had been  
9            paid on time.

10           (f) Contributions payable by the employer under this subsection for omitted  
11           service shall be considered delinquent from the date the employee should  
12           have been reported and received service credit in accordance with KRS  
13           16.543, 61.543, and 78.615.

14           (3) (a) Recontribution of a Refund. Any employee participating in one (1) of the  
15           state-administered retirement systems who has been refunded his or her  
16           accumulated account balance under the provisions of KRS 61.625, thereby  
17           losing service credit in the system, may regain the credit by paying to the  
18           system the amount or amounts refunded by the system with interest at a rate  
19           determined by the board. Service purchased under this subsection on or after  
20           January 1, 2014, shall not be used to determine the member's participation  
21           date in the systems.

22           (b) Recontribution of a refund purchased under this subsection shall not be used  
23           in determining a retirement allowance until the member has accrued at least  
24           six (6) months of service credit in a state-administered retirement system,  
25           excluding the service purchased under this subsection. If the member does not  
26           accrue at least six (6) months of service credit in a state-administered  
27           retirement system, excluding service purchased under this subsection, then the

1 payment plus interest as provided in KRS 16.560, 61.575, or 78.640 shall be  
2 refunded upon retirement, death, or written request following termination of  
3 employment. The service requirement shall be waived if the member dies or  
4 becomes disabled as provided for by KRS 16.582, 61.600, 61.621, 78.5522, or  
5 78.5524.

6 (4) (a) Summer Months. Any employee participating in one (1) of the state-  
7 administered retirement systems who is or has been employed by a school  
8 board or community action agency participating in the County Employees  
9 Retirement System or a state-operated school under KRS Chapter 167 or an  
10 institution of higher learning participating in the Kentucky Employees  
11 Retirement System, who receives service credit for less than twelve (12)  
12 months each year, may purchase the additional months of service credit  
13 needed to total one (1) year of service credit, except the amount purchased for  
14 any specific year shall not exceed three (3) months.

15 (b) The cost of the summer months service credit shall be determined by the  
16 formula established by subsection (10) of this section and may be purchased  
17 by the employee, or the employer on behalf of the employee, or the cost may  
18 be paid by both the employer and employee in which case the employer and  
19 employee shall each pay fifty percent (50%) of the cost. Service credit shall  
20 not be credited to the member's account until both the employer's and  
21 employee's payment are received by the system.

22 (c) If the employee has purchased service credit under this subsection based on  
23 months reported by the employer for the fiscal year, and an audit of the  
24 employee's account reduces the number of months of service credit for which  
25 the employee is eligible to no fewer than nine (9) months, the employee shall  
26 retain credit for the months purchased unless the employee is ineligible for  
27 any service in the fiscal year. The employee shall be eligible to purchase the

1 additional months under this subsection to total one (1) year.

2 (d) This subsection shall not apply to members who began participating in the  
3 County Employees Retirement System on or after January 1, 2014.

4 (5) Vested Service Purchases. Any employee who began participating in the County  
5 Employees Retirement System, the Kentucky Employees Retirement System, or the  
6 State Police Retirement System prior to January 1, 2014, who is vested, unless  
7 exempted under Section 1 of this Act, may purchase service credit for:

8 (a) Past service. "Past service" means periods of employment:

9 1. Between July 1, 1956, in the case of the Kentucky Employees  
10 Retirement System, or July 1, 1958, in the case of the County  
11 Employees Retirement System, and the effective date of participation by  
12 the employer;

13 2. Where the employee did not participate in the system due to the  
14 employee not electing to participate as provided in KRS 61.525(2) or  
15 78.540(1); and

16 3. With a public agency that did not participate in the Kentucky Employees  
17 Retirement System but would have been eligible to participate under  
18 KRS 61.520 or a political subdivision that did not participate in the  
19 County Employees Retirement System but would have been eligible to  
20 participate under KRS 78.530, provided the public agency or political  
21 subdivision has merged with or been taken over by a participating  
22 employer;

23 (b) State university service, provided the university does not participate in a state-  
24 administered retirement system and the university service being purchased  
25 was in a nonteaching position that did not participate in a defined benefit  
26 retirement program;

27 (c) 1. Up to ten (10) years of out-of-state service. "Out-of-state" means service

1 credited to a state or local government-administered public defined  
2 benefit plan in another state that is not a defined benefit plan for  
3 teachers.

4 2. Up to ten (10) years of out-of-state hazardous service. "Out-of-state  
5 hazardous service" means service in a regular full-time position that was  
6 credited to a defined benefit retirement plan administered by a state or  
7 local government in another state, if the service could be certified as  
8 hazardous pursuant to KRS 61.592 or 78.5520, as applicable. The  
9 employee may purchase out-of-state hazardous service under this  
10 subparagraph provided the employee is vested to receive benefits from  
11 the State Police Retirement System or hazardous duty benefits from the  
12 Kentucky Employees Retirement System or the County Employees  
13 Retirement System.

14 The employee must purchase out-of-state service or out-of-state hazardous  
15 service in the system in which he or she is vested based solely upon the  
16 service in that system;

17 (d) Active military duty, which means periods of active military duty in the  
18 Armed Forces of the United States, provided:

19 1. The employee's military service was terminated in a manner other than  
20 as described in 38 U.S.C. sec. 4304; and

21 2. The service has not been credited as free military service under  
22 subsection (1) of this section;

23 (e) National Guard service. An employee may purchase one (1) month of service  
24 for each six (6) months of service in the National Guard or the military  
25 reserves of the United States. The service shall be treated as service earned  
26 prior to participation in the system;

27 (f) Federal service. "Federal service" means service with the United States

1 government, that is not service in the Armed Forces;

2 (g) Seasonal, emergency, interim, probationary, or temporary employment or  
3 part-time employment as provided by KRS 61.510(21) or 78.510(21)  
4 averaging one hundred (100) or more hours of work per month on a calendar  
5 or fiscal year basis. If the average number of hours of work is less than one  
6 hundred (100) per month, the member may purchase credit for only those  
7 months he or she receives creditable compensation for one hundred (100)  
8 hours of work;

9 (h) Part-time employment in a noncertified position at a school board prior to the  
10 1990-91 school year which averaged eighty (80) or more hours of work per  
11 month on a calendar or fiscal year basis. If the average number of hours of  
12 work is less than eighty (80) per month, the noncertified employee of a school  
13 board shall be allowed to purchase credit only for those months he or she  
14 receives creditable compensation for eighty (80) hours of work;

15 (i) Any period of:

- 16 1. Authorized maternity leave without pay or sick leave without pay;
- 17 2. Unpaid leave authorized under the federal Family and Medical Leave  
18 Act;
- 19 3. Approved educational leave; and
- 20 4. Agency-approved leave to work for a work-related labor organization if  
21 the agency subsequently participated in the County Employees  
22 Retirement System, but only if the board receives a favorable private  
23 letter ruling from the United States Internal Revenue Service or a  
24 favorable opinion letter from the United States Department of Labor;

25 (j) Non-participating employer service, which means periods of employment  
26 with the following types of agencies provided the agency does not participate  
27 in a state-administered retirement system:

- 1           1.    A regional community services program for mental health organized and  
2                    operated under the provisions of KRS 210.370 to 210.480;
- 3           2.    A community action agency created under KRS 273.405 to 273.453.  
4                    The service provided by this subparagraph shall be purchased in the  
5                    County Employees Retirement System;
- 6           3.    An area development district created pursuant to KRS 147A.050; or
- 7           4.    A business development corporation created pursuant to KRS 155.001  
8                    to 155.230, provided the system receives a favorable private letter ruling  
9                    from the United States Internal Revenue Service or a favorable opinion  
10                  letter from the United States Department of Labor;
- 11       (k)   Urban-county government service, which means employment in an urban-  
12                  county government position that would qualify for hazardous duty coverage  
13                  under KRS 61.592 or 78.5520. The provisions of this paragraph shall only be  
14                  applicable to vested members participating in the State Police Retirement  
15                  System or in a hazardous position in the Kentucky Employees Retirement  
16                  System or the County Employees Retirement System;
- 17       (l)   Periods of service as assistants to officers and employees of the General  
18                  Assembly for persons who were unable to acquire service under KRS  
19                  61.510(20) for service performed after January 1, 1960;
- 20       (m)   Service as a volunteer in the Kentucky Peace Corps, created by KRS 154.1-  
21                  720; and
- 22       (n)   Employment with a vocational technical school in a noncertified part-time  
23                  position averaging eighty (80) or more hours per month, determined by using  
24                  the number of months actually worked within a calendar or fiscal year. The  
25                  service provided by this paragraph shall be purchased in the Kentucky  
26                  Employees Retirement System.
- 27       (6)   Non-qualified service. Provided the employee's participation date in the system is



1 prior to July 15, 2002, and provided the employee has total service in all state-  
2 administered retirement systems of at least one hundred eighty (180) months of  
3 service credit, the employee may purchase a combined maximum total of five (5)  
4 years of service credit, known as non-qualified service, which is not otherwise  
5 purchasable under any of the provisions of KRS 16.505 to 16.652, 61.510 to  
6 61.705, or 78.510 to 78.852. The service purchased under this paragraph shall not  
7 be used in determining a retirement allowance until the member has accrued at least  
8 two hundred forty (240) months of service, excluding service purchased under this  
9 subsection. If the member does not accrue at least two hundred forty (240) months  
10 of service, excluding service purchased under this subsection, upon retirement,  
11 death, or written request following termination, the payment, plus interest as  
12 provided in KRS 16.560, 61.575, or 78.640, as applicable, shall be refunded.

13 (7) For purposes of service purchased under subsections (2) to (6) of this section:

14 (a) Except for subsection (6) of this section, the service must qualify as regular  
15 full-time as provided by KRS 61.510 and 78.510;

16 (b) No service credit may be purchased for periods already credited to the system  
17 or another public defined benefit retirement fund, including non-qualified  
18 service purchased in another state-administered retirement system;

19 (c) Except as provided by paragraph (a)2.a. of subsection (9) of this section, the  
20 employee payment for service purchases shall not be picked up, as described  
21 in KRS 16.545(4), 61.560(4), or 78.610(4), by the employer;

22 (d) Except for service purchased under subsection (2) or (3) of this section,  
23 service purchases made pursuant to this section may be purchased by the  
24 entire amount of service available or by increments. Service purchases made  
25 pursuant to subsections (2) and (3) of this section shall only be purchased by  
26 the entire amount of service available; and

27 (e) Service purchases as provided by subsections (5)(b), (5)(d) to (f), (5)(j)1., and

1 (6) of this section may be purchased in any system in which the member has  
2 service credit.

3 (8) (a) Employer purchase of past service. Any employer participating in the system  
4 may purchase service credit, between July 1, 1956, in the case of the  
5 Kentucky Employees Retirement System, or July 1, 1958, in the case of the  
6 County Employees Retirement System, and the participation date of the  
7 employer, for present employees of the county or department who have  
8 elected coverage under KRS 61.525(2) or 78.540(1), provided the employee  
9 began participating in the system prior to January 1, 2014.

10 (b) A Kentucky Employees Retirement System employer shall pay the cost of the  
11 service credit within the fiscal year the election is made to purchase the  
12 service credit. A County Employees Retirement System employer may  
13 purchase the service, with interest at the rate actuarially assumed by the board,  
14 over a period not to exceed ten (10) years.

15 (c) If an employer elects to purchase service under the provisions of this  
16 subsection, any present employee who would be eligible to receive service  
17 credit under the provisions of this subsection and has purchased service credit  
18 under subsection (5)(a) of this section shall have his or her payment for the  
19 service credit refunded with interest at the rate paid under KRS 61.575 or  
20 78.640; and

21 (d) Any payments made by an employer under this subsection shall be deposited  
22 to the retirement allowance account of the system and these funds shall not be  
23 considered accumulated contributions of the individual members.

24 (9) (a) An employee participating in the system may purchase service credit under  
25 any of the provisions of KRS 16.505 to 16.652, 61.510 to 61.705, or 78.510 to  
26 78.852 for which he or she is eligible to purchase, or as otherwise required by  
27 38 U.S.C. ch. 43, by:

- 1           1.    Making a lump-sum payment on a before-tax basis as provided in  
2                    subparagraph 3. of this paragraph, or on an after-tax basis if the  
3                    employee is purchasing service credit under subsection (1) or (3) of this  
4                    section, service available pursuant to 38 U.S.C. ch. 43 not otherwise  
5                    provided for in this section, or grandfathered service as defined in  
6                    paragraph (b) of this subsection;
  - 7           2.    Entering into an agreement to purchase service credit through an  
8                    installment purchase of service agreement with the systems as provided  
9                    by paragraph (c) of this subsection:
    - 10                   a.    On a before-tax basis in which the service is purchased pursuant to  
11                        the employer pick-up provisions in 26 U.S.C. sec. 414(h)(2); or
    - 12                   b.    On an after-tax basis if the employee is purchasing service credit  
13                        under subsection (1) or (3) of this section, service available  
14                        pursuant to 38 U.S.C. ch. 43 not otherwise provided for in this  
15                        section, or grandfathered service as defined in paragraph (b) of this  
16                        subsection; or
  - 17           3.    Transferring funds to the system through a direct trustee-to-trustee  
18                    transfer as permitted under the applicable sections of the Internal  
19                    Revenue Code and any regulations or rulings issued thereunder, through  
20                    a direct rollover as contemplated by and permitted under 26 U.S.C. sec.  
21                    401(a)(31) and any regulations or rulings issued thereunder, or through a  
22                    rollover of funds pursuant to and permitted under the rules specified in  
23                    26 U.S.C. secs. 402(c) and 408(d)(3). The system shall accept the  
24                    transfer or rollover to the extent permitted under the rules specified in  
25                    the applicable provisions of the Internal Revenue Code and any  
26                    regulations and rulings issued thereunder.
- 27           (b) For purposes of this subsection, "grandfathered service" means service

1 purchases for which a member, whose membership date in the system is prior  
2 to July 1, 1999, is eligible to purchase under KRS 16.505 to 16.652, 61.510 to  
3 61.705, or 78.510 to 78.852, that were available for all members of the system  
4 to purchase on August 5, 1997.

- 5 (c) 1. For service purchased under a before-tax or after-tax installment  
6 purchase of service agreement as provided by paragraph (a)2. of this  
7 subsection, the cost of the service shall be computed in the same manner  
8 as for a lump-sum payment which shall be the principal, except that  
9 interest compounded annually at the actuarial rate in effect at the time  
10 the member elects to make the purchase shall be added for the period  
11 that the installments are to be made.
- 12 2. Multiple service purchases may be combined under a single installment  
13 agreement, except that no employee may make more than one (1)  
14 installment purchase at the same time.
- 15 3. For after-tax installment purchase of service agreements, the employee  
16 may elect to stop the installment payments by notifying the system; may  
17 have the installment purchase recalculated to add one (1) or more  
18 additional service purchases; or may pay by lump sum the remaining  
19 principal or a portion of the remaining principal.
- 20 4. Before-tax installment purchase of service agreements shall be  
21 irrevocable, and the employee shall not be able to stop installment  
22 payments or to pay off the remaining balance of the purchase of service  
23 agreement, except upon termination of employment or death.
- 24 5. One (1) year of installment payments shall be made for each one  
25 thousand dollars (\$1,000) or any part thereof of the total cost, except  
26 that the total period allowed for installments shall not be less than one  
27 (1) year and shall not exceed five (5) years.

- 1           6. The employee shall pay the installments by payroll deduction for after-  
2 tax purchase of service agreements, and the employer shall pick up  
3 installments for before-tax purchase of service agreements. Upon  
4 notification by the system, the employer shall report the installment  
5 payments monthly continuously over each twelve (12) month period at  
6 the same time as, but separate from, regular employee contributions on  
7 the forms or by the computer format specified by the board.
- 8           7. The system shall determine how much of the total cost represents  
9 payment for one (1) month of the service to be purchased and shall  
10 credit one (1) month of service to the member's account each time this  
11 amount has been paid. The first service credited shall represent the first  
12 calendar month of the service to be purchased and each succeeding  
13 month of service credit shall represent the succeeding months of that  
14 service.
- 15           8. If the employee utilizing an installment purchase of service agreement  
16 dies, retires, does not continue employment in a position required to  
17 participate in the system, or elects to stop an after-tax installment  
18 purchase of service agreement, the member, or in the case of death, the  
19 beneficiary, shall have sixty (60) days to pay the remaining principal or  
20 a portion of the remaining principal of the installment purchase of  
21 service agreement by lump sum, subject to the restrictions of paragraph  
22 (a)1. of this subsection, or by transfer of funds under paragraph (a)3. of  
23 this subsection, except that payment by the member shall be filed with  
24 the system prior to the member's effective retirement date. If the  
25 member or beneficiary does not pay the remaining cost, the system shall  
26 refund to the member or the beneficiary the payment, payments, or  
27 portion of a payment that does not represent a full month of service

1 purchased, except as provided by subsection (6) of this section.

2 9. If the employer does not report installment payments on an employee  
3 for sixty (60) days for an after-tax installment purchase of service  
4 agreement, except in the case of employees on military leave or sick  
5 leave without pay, the installment purchase shall cease and the system  
6 shall refund to the employee the payment, payments, or portion of a  
7 payment that does not represent a full month of service purchased.

8 10. Installment payments of employees on military leave or sick leave  
9 without pay shall be suspended during the period of leave and shall  
10 resume without recalculation upon the employee's return from leave.

11 11. If payments have ceased under subparagraph 8. or 9. of this paragraph  
12 and the member later becomes a participating employee in the County  
13 Employees Retirement System, Kentucky Employees Retirement  
14 System, or State Police Retirement System, the employee may complete  
15 the adjusted original installment purchase by lump sum or installment  
16 payments, subject to the restrictions of this subsection. If the employee  
17 elects to renew the installment purchase, the cost of the remaining  
18 service shall be recalculated in accordance with subsection (10) of this  
19 section.

20 (d) Member payments, including interest, properly received pursuant to this  
21 subsection, shall be deposited to the member's account and considered as  
22 accumulated contributions of the individual member.

23 (10) (a) The cost of purchasing service credit under any provision of this section,  
24 except as provided by subsections (1) to (3) of this section, shall be  
25 determined by multiplying the higher of the employee's current rate of pay,  
26 final rate of pay, or final compensation as of the end of the month in which  
27 the purchase is made times the actuarial factor times the number of years of

1 service being purchased. The actuarial factor used to determine the cost of  
2 purchasing service credit shall assume the earliest date the member may retire  
3 without a reduction in benefits and the cost-of-living adjustments provided to  
4 members upon retirement.

5 (b) Service purchased on or after August 1, 2004, under the provisions of KRS  
6 16.505 to 16.652, 61.510 to 61.705, or 78.510 to 78.852, except for service  
7 purchased under subsections (1) to (3) of this section or service purchased as  
8 described by paragraph (d) or (e) of this subsection, shall not be used to  
9 determine eligibility for or the amount of the monthly insurance contribution  
10 under KRS 61.702 or 78.5536.

11 (c) For a member whose participation begins on or after August 1, 2004, service  
12 purchased under the provisions of KRS 16.505 to 16.652, 61.510 to 61.705, or  
13 78.510 to 78.852, except for service purchased under subsections (1) to (3) of  
14 this section or service purchased as described by paragraph (d) or (e) of this  
15 subsection:

16 1. Shall not be used to determine eligibility for a retirement allowance  
17 under disability retirement, early retirement, normal retirement, or upon  
18 death of the member under any of the provisions of KRS 16.505 to  
19 16.652, 61.510 to 61.705, or 78.510 to 78.852; and

20 2. Shall only be used to determine the amount of the retirement allowance  
21 of a member who is eligible for a retirement allowance under disability,  
22 early retirement, normal retirement, or upon death of the member under  
23 any of the provisions of KRS 16.505 to 16.652, 61.510 to 61.705, or  
24 78.510 to 78.852, based on service earned as a participating employee.

25 (d) Paragraphs (b) and (c) of this subsection shall not apply to a member who was  
26 bound by an educational contract as a conditional employee to the state of  
27 Kentucky prior to December 31, 2003, regardless of participation date or

1 membership date in the system. Educational leave, seasonal service, or any  
 2 other qualified service purchased by a member with this classification under  
 3 this section shall be used to determine eligibility for benefits, membership  
 4 dates or participation dates, and the amount of benefit for:

- 5 1. A retirement allowance under disability retirement, early retirement,  
 6 normal retirement, or death under any of the provisions of KRS 16.505  
 7 to 16.652, 61.510 to 61.705, and 78.510 to 78.852; and
- 8 2. The monthly insurance contribution under KRS 61.702 or 78.5536.

9 **(e) Paragraphs (b) and (c) of this subsection shall not apply to a member who**  
 10 **transfers to the Department of Public Advocacy under Section 1 of this Act**  
 11 **and purchases past service credit pursuant to subsection (6) of Section 1 of**  
 12 **this Act. Past service purchased pursuant to subsection (6) of Section 1 of**  
 13 **this Act shall be used by the member transferred under Section 1 of this Act**  
 14 **to determine eligibility for benefits and the amount of benefit for:**

- 15 **1. A retirement allowance under disability retirement, early retirement,**  
 16 **normal retirement, or death under any of the provisions of KRS**  
 17 **16.505 to 16.652, 61.510 to 61.705, or 78.510 to 78.852; and**
- 18 **2. The monthly insurance contribution under KRS 61.702 or 78.5536**  
 19 **subject to subsection (6)(d) of Section 1 of this Act.**

20 ➔Section 6. This Act shall apply retroactively to an employee of the Louisville  
 21 and Jefferson Public Defender Corporation appointed to a leadership or supervisory  
 22 position within the Department of Public Advocacy between October 1, 2023, and July 1,  
 23 2024.

24 ➔Section 7. Whereas 2023 Ky. Acts ch. 144 requires the Department of Public  
 25 Advocacy to assume the duties of local counsel representing indigent adults and juveniles  
 26 accused of crimes and status offenses no later than July 1, 2024, and whereas it is critical  
 27 to ensure the legal representation of these indigent persons, an emergency is declared to



- 1 exist, and this Act takes effect upon its passage and approval by the Governor or upon its
- 2 otherwise becoming a law.