

1 AN ACT relating to retiree health insurance reimbursements for school district  
2 employees.

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

4 ➔Section 1. KRS 61.637 is amended to read as follows:

5 (1) A retired member who is receiving monthly retirement payments under any of the  
6 provisions of KRS 61.510 to 61.705 and 78.510 to 78.852 and who is reemployed  
7 as an employee by a participating agency prior to August 1, 1998, shall have his or  
8 her retirement payments suspended for the duration of reemployment. Monthly  
9 payments shall not be suspended for a retired member who is reemployed if he or  
10 she anticipates that he or she will receive less than the maximum permissible  
11 earnings as provided by the Federal Social Security Act in compensation as a result  
12 of reemployment during the calendar year. The payments shall be suspended at the  
13 beginning of the month in which the reemployment occurs.

14 (2) Employer and employee contributions shall be made as provided in KRS 61.510 to  
15 61.705 and 78.510 to 78.852 on the compensation paid during reemployment,  
16 except where monthly payments were not suspended as provided in subsection (1)  
17 of this section or would not increase the retired member's last monthly retirement  
18 allowance by at least one dollar (\$1), and the member shall be credited with  
19 additional service credit.

20 (3) In the month following the termination of reemployment, retirement allowance  
21 payments shall be reinstated under the plan under which the member was receiving  
22 payments prior to reemployment.

23 (4) (a) Notwithstanding the provisions of this section, the payments suspended in  
24 accordance with subsection (1) of this section shall be paid retroactively to the  
25 retired member, or his or her estate, if he or she does not receive more than  
26 the maximum permissible earnings as provided by the Federal Social Security  
27 Act in compensation from participating agencies during any calendar year of

1           reemployment.

2           (b) If the retired member is paid suspended payments retroactively in accordance  
3           with this section, employee contributions deducted during his or her period of  
4           reemployment, if any, shall be refunded to the retired employee, and no  
5           service credit shall be earned for the period of reemployment.

6           (c) If the retired member is not eligible to be paid suspended payments for his or  
7           her period of reemployment as an employee, his or her retirement allowance  
8           shall be recomputed under the plan under which the member was receiving  
9           payments prior to reemployment as follows:

10           1. The retired member's final compensation shall be recomputed using  
11           creditable compensation for his or her period of reemployment;  
12           however, the final compensation resulting from the recalculation shall  
13           not be less than that of the member when his or her retirement allowance  
14           was last determined;

15           2. If the retired member initially retired on or subsequent to his or her  
16           normal retirement date, his or her retirement allowance shall be  
17           recomputed by using the formula in KRS 61.595(1);

18           3. If the retired member initially retired prior to his or her normal  
19           retirement date, his or her retirement allowance shall be recomputed  
20           using the formula in KRS 61.595(2), except that the member's age used  
21           in computing benefits shall be his or her age at the time of his or her  
22           initial retirement increased by the number of months of service credit  
23           earned for service performed during reemployment;

24           4. The retirement allowance payments resulting from the recomputation  
25           under this subsection shall be payable in the month following the  
26           termination of reemployment in lieu of payments under subparagraph 3.  
27           of this paragraph. The member shall not receive less in benefits as a

1 result of the recomputation than he or she was receiving prior to  
2 reemployment or would receive as determined under KRS 61.691; and

3 5. Any retired member who was reemployed prior to March 26, 1974, shall  
4 begin making contributions to the system in accordance with the  
5 provisions of this section on the first day of the month following March  
6 26, 1974.

7 (5) A retired member, or his or her estate, shall pay to the retirement fund the total  
8 amount of payments which are not suspended in accordance with subsection (1) of  
9 this section if the member received more than the maximum permissible earnings as  
10 provided by the Federal Social Security Act in compensation from participating  
11 agencies during any calendar year of reemployment, except the retired member or  
12 his or her estate may repay the lesser of the total amount of payments which were  
13 not suspended or fifty cents (\$0.50) of each dollar earned over the maximum  
14 permissible earnings during reemployment if under age sixty-five (65), or one  
15 dollar (\$1) for every three dollars (\$3) earned if over age sixty-five (65).

16 (6) (a) "Reemployment" or "reinstatement" as used in this section shall not include a  
17 retired member who has been ordered reinstated by the Personnel Board under  
18 authority of KRS 18A.095.

19 (b) A retired member who has been ordered reinstated by the Personnel Board  
20 under authority of KRS 18A.095 or by court order or by order of the Human  
21 Rights Commission and accepts employment by an agency participating in the  
22 Kentucky Employees Retirement System or County Employees Retirement  
23 System shall void his or her retirement by reimbursing the system in the full  
24 amount of his or her retirement allowance payments received.

25 (7) (a) Effective August 1, 1998, the provisions of subsections (1) to (4) of this  
26 section shall no longer apply to a retired member who is reemployed in a  
27 position covered by the same retirement system from which the member

1           retired. Reemployed retired members shall be treated as new members upon  
2           reemployment. Any retired member whose reemployment date preceded  
3           August 1, 1998, who does not elect, within sixty (60) days of notification by  
4           the retirement systems, to remain under the provisions of subsections (1) to  
5           (4) of this section shall be deemed to have elected to participate under this  
6           subsection.

7           (b) A retired member whose disability retirement was discontinued pursuant to  
8           KRS 61.615 and who is reemployed in one (1) of the systems administered by  
9           the Kentucky Retirement Systems or County Employees Retirement System  
10          prior to his or her normal retirement date shall have his or her accounts  
11          combined upon termination for determining eligibility for benefits. If the  
12          member is eligible for retirement, the member's service and creditable  
13          compensation earned as a result of his or her reemployment shall be used in  
14          the calculation of benefits, except that the member's final compensation shall  
15          not be less than the final compensation last used in determining his or her  
16          retirement allowance. The member shall not change beneficiary or payment  
17          option designations. This provision shall apply to members reemployed on or  
18          after August 1, 1998.

19          (8) If a retired member accepts employment or begins serving as a volunteer with an  
20          employer participating in the systems administered by Kentucky Retirement  
21          Systems or County Employees Retirement System within twelve (12) months of his  
22          or her retirement date, the retired member shall notify the Authority and the  
23          participating employer shall submit the information required or requested by the  
24          Authority to confirm the individual's employment or volunteer status. The retired  
25          member shall not be required to notify the Authority regarding any employment or  
26          volunteer service with a participating agency that is accepted after twelve (12)  
27          months following his or her retirement date.

- 1 (9) If the retired member is under a contract to provide services as an independent  
2 contractor or leased employee to an employer participating in the systems  
3 administered by Kentucky Retirement Systems or County Employees Retirement  
4 System within twelve (12) months of his or her retirement date, the member shall  
5 submit a copy of that contract to the Authority, and the Authority shall determine if  
6 the member is an independent contractor or leased employee for purposes of  
7 retirement benefits. The retired member and the participating employer shall submit  
8 the information required or requested by the Authority to confirm the individual's  
9 status as an independent contractor or leased employee. The retired member shall  
10 not be required to notify the Authority regarding any services entered into as an  
11 independent contractor or leased employee with a participating agency that the  
12 employee enters into after twelve (12) months following his or her retirement date.
- 13 (10) If a member is receiving a retirement allowance, or has filed the forms required for  
14 a retirement allowance, and is employed within one (1) month of the member's  
15 initial retirement date in a position that is required to participate in the same  
16 retirement system from which the member retired, the member's retirement shall be  
17 voided and the member shall repay to the retirement system all benefits received.  
18 The member shall contribute to the member account established for him or her prior  
19 to his or her voided retirement. The retirement allowance for which the member  
20 shall be eligible upon retirement shall be determined by total service and creditable  
21 compensation.
- 22 (11) (a) If a member of the Kentucky Employees Retirement System retires from a  
23 department which participates in more than one (1) retirement system and is  
24 reemployed within one (1) month of his or her initial retirement date by the  
25 same department in a position participating in another retirement system, the  
26 retired member's retirement allowance shall be suspended for the first month  
27 of his or her retirement, and the member shall repay to the retirement system

1 all benefits received for the month.

2 (b) A retired member of the County Employees Retirement System who after  
3 initial retirement is hired by the county from which the member retired shall  
4 be considered to have been hired by the same employer.

5 (12) (a) If a hazardous member who retired prior to age fifty-five (55), or a  
6 nonhazardous member who retired prior to age sixty-five (65), is reemployed  
7 within six (6) months of the member's termination by the same employer, the  
8 member shall obtain from his or her previous and current employers a copy of  
9 the job description established by the employers for the position and a  
10 statement of the duties performed by the member for the position from which  
11 he or she retired and for the position in which he or she has been reemployed.

12 (b) The job descriptions and statements of duties shall be filed with the retirement  
13 office.

14 (13) If the retirement system determines that the retired member has been employed in a  
15 position with the same principal duties as the position from which the member  
16 retired:

17 (a) The member's retirement allowance shall be suspended during the period that  
18 begins on the month in which the member is reemployed and ends six (6)  
19 months after the member's termination;

20 (b) The retired member shall repay to the retirement system all benefits paid from  
21 systems administered by Kentucky Retirement Systems or County Employees  
22 Retirement System under reciprocity, including medical insurance benefits,  
23 that the member received after reemployment began;

24 (c) Upon termination, or subsequent to expiration of the six (6) month period  
25 from the date of termination, the retired member's retirement allowance based  
26 on his or her initial retirement account shall no longer be suspended, and the  
27 member shall receive the amount to which he or she is entitled, including an

- 1           increase as provided by KRS 61.691;
- 2           (d) Except as provided in subsection (7) of this section, if the position in which a  
3           retired member is employed after initial retirement is a regular full-time  
4           position, the retired member shall contribute to a second member account  
5           established for him or her in the retirement system. Service credit gained after  
6           the member's date of reemployment shall be credited to the second member  
7           account; and
- 8           (e) Upon termination, the retired member shall be entitled to benefits payable  
9           from his or her second retirement account.
- 10       (14) (a) If the retirement system determines that the retired member has not been  
11           reemployed in a position with the same principal duties as the position from  
12           which he or she retired, the retired member shall continue to receive his or her  
13           retirement allowance.
- 14           (b) If the position is a regular full-time position, the member shall contribute to a  
15           second member account in the retirement system.
- 16       (15) (a) If a retired member is reemployed at least one (1) month after initial  
17           retirement in a different position, or at least six (6) months after initial  
18           retirement in the same position, and prior to normal retirement age, the retired  
19           member shall contribute to a second member account in the retirement system  
20           and continue to receive a retirement allowance from the first member account.
- 21           (b) Service credit gained after reemployment shall be credited to the second  
22           member account. Upon termination, the retired member shall be entitled to  
23           benefits payable from the second member account.
- 24       (16) A retired member who is reemployed and contributing to a second member account  
25           shall not be eligible to purchase service credit under any of the provisions of KRS  
26           16.505 to 16.652, 61.510 to 61.705, or 78.510 to 78.852 which he or she was  
27           eligible to purchase prior to his or her initial retirement.

1 (17) Notwithstanding any provision of subsections (1) to (7)(a) and (10) to (15) of this  
2 section, the following shall apply to retired members who are reemployed by an  
3 agency participating in one (1) of the systems administered by Kentucky  
4 Retirement Systems or County Employees Retirement System on or after  
5 September 1, 2008:

6 (a) If a member is receiving a retirement allowance from one (1) of the systems  
7 administered by Kentucky Retirement Systems or County Employees  
8 Retirement System, or has filed the forms required to receive a retirement  
9 allowance from one (1) of the systems administered by Kentucky Retirement  
10 Systems or County Employees Retirement System, and is employed in a  
11 regular full-time position required to participate in one (1) of the systems  
12 administered by Kentucky Retirement Systems or County Employees  
13 Retirement System or is employed in a position that is not considered regular  
14 full-time with an agency participating in one (1) of the systems administered  
15 by Kentucky Retirement Systems or County Employees Retirement System  
16 within one (1) month following the member's initial retirement date, the  
17 member's retirement shall be voided, and the member shall repay to the  
18 retirement system all benefits received, including any health insurance  
19 benefits. If the member is returning to work in a regular full-time position  
20 required to participate in one (1) of the systems administered by Kentucky  
21 Retirement Systems:

- 22 1. The member shall contribute to a member account established for him or  
23 her in one (1) of the systems administered by Kentucky Retirement  
24 Systems or County Employees Retirement System, and employer  
25 contributions shall be paid on behalf of the member by the participating  
26 employer; and
- 27 2. Upon subsequent retirement, the member shall be eligible for a



1 retirement allowance based upon total service and creditable  
2 compensation, including any additional service or creditable  
3 compensation earned after his or her initial retirement was voided;

4 (b) If a member is receiving a retirement allowance from one (1) of the systems  
5 administered by Kentucky Retirement Systems or County Employees  
6 Retirement System and is employed in a regular full-time position required to  
7 participate in one (1) of the systems administered by Kentucky Retirement  
8 Systems or County Employees Retirement System after a one (1) month  
9 period following the member's initial retirement date, the member may  
10 continue to receive his or her retirement allowance during the period of  
11 reemployment subject to the following provisions:

12 1. If a member is reemployed by a participating agency within twelve (12)  
13 months of the member's retirement date, the participating agency shall  
14 certify in writing on a form prescribed by the Authority that no  
15 prearranged agreement existed between the employee and agency prior  
16 to the employee's retirement for the employee to return to work with the  
17 participating agency. If an elected official is reelected to a new term of  
18 office in the same position as the elected official held prior to retirement  
19 and takes office within twelve (12) months of his or her retirement date,  
20 he or she shall be deemed by the Authority as having a prearranged  
21 agreement under the provisions of this subparagraph and shall have his  
22 or her retirement voided. If the participating agency fails to complete the  
23 certification, the member's retirement shall be voided and the provisions  
24 of paragraph (a) of this subsection shall apply to the member and the  
25 employer. Employment that is accepted by the retired member after  
26 twelve (12) months following the member's retirement date shall not  
27 constitute a prearranged agreement under this paragraph;

- 1           2. Notwithstanding any other provision of KRS Chapter 16, 61, or 78 to
- 2           the contrary, the member shall not contribute to the systems and shall
- 3           not earn any additional benefits for any work performed during the
- 4           period of reemployment;
- 5           3. Except as provided by KRS 70.291 to 70.293, 95.022, and 164.952 and
- 6           except for any retiree employed as a school resource officer as defined
- 7           by KRS 158.441, the employer shall pay employer contributions as
- 8           specified by KRS 61.565, 61.702, and 78.635, as applicable, on all
- 9           creditable compensation earned by the employee during the period of
- 10          reemployment. The additional contributions paid shall be used to reduce
- 11          the unfunded actuarial liability of the systems; and
- 12          4. Except as provided by KRS 70.291 to 70.293, 95.022, and 164.952 and
- 13          except for any retiree employed as a school resource officer as defined
- 14          by KRS 158.441, the employer shall be required to reimburse the
- 15          systems for the cost of the health insurance premium paid by the
- 16          systems to provide coverage for the retiree, not to exceed the cost of the
- 17          single premium. Effective July 1, 2015, local school boards shall not be
- 18          required to pay the reimbursement required by this subparagraph for
- 19          retirees employed by the board for eighty (80) days or less during the
- 20          fiscal year. Effective August 1, 2024, the Department of Education
- 21          shall pay for the health reimbursements required by this subparagraph
- 22          for a retiree who participated in a hazardous position prior to July 1,
- 23          2003, in one (1) of the systems administered by the Kentucky
- 24          Retirement Systems or the County Employees Retirement System, and
- 25          who is reemployed by a local school board;
- 26          (c) Notwithstanding paragraphs (a) and (b) of this subsection, a retired member
- 27          who qualifies as a volunteer for an employer participating in one (1) of the

1 systems administered by Kentucky Retirement Systems or County Employees  
2 Retirement System and who is receiving reimbursement of actual expenses, a  
3 nominal fee for his or her volunteer services, or both, shall not be considered  
4 an employee of the participating employer and shall not be subject to  
5 paragraphs (a) and (b) of this subsection if:

- 6 1. Prior to the retired member's most recent retirement date, he or she did  
7 not receive creditable compensation from the participating employer in  
8 which the retired member is performing volunteer services;
- 9 2. Any reimbursement or nominal fee received prior to the retired  
10 member's most recent retirement date has not been credited as creditable  
11 compensation to the member's account or utilized in the calculation of  
12 the retired member's benefits;
- 13 3. The retired member has not purchased or received service credit under  
14 any of the provisions of KRS 61.510 to 61.705 or 78.510 to 78.852 for  
15 service with the participating employer for which the retired member is  
16 performing volunteer services; and
- 17 4. Other than the status of volunteer, the retired member does not become  
18 an employee, leased employee, or independent contractor of the  
19 employer for which he or she is performing volunteer services for a  
20 period of at least twelve (12) months following the retired member's  
21 most recent retirement date.

22 If a retired member, who provided volunteer services with a participating  
23 employer under this paragraph violates any provision of this paragraph, then  
24 he or she shall be deemed an employee of the participating employer as of the  
25 date he or she began providing volunteer services and both the retired member  
26 and the participating employer shall be subject to paragraphs (a) and (b) of  
27 this subsection for the period of volunteer service;

1 (d) Notwithstanding any provision of this section, any mayor or member of a city  
2 legislative body shall not be required to resign from his or her position as  
3 mayor or as a member of the city legislative body in order to begin drawing  
4 benefits from the systems administered by Kentucky Retirement Systems or  
5 subject to any provision of this section as it relates solely to his or her service  
6 as a mayor or member of the city legislative body if the mayor or member of a  
7 city legislative body:

- 8 1. Has not participated in the County Employees Retirement System prior  
9 to retirement, but is otherwise eligible to retire from the Kentucky  
10 Employees Retirement System or the State Police Retirement System; or
- 11 2. Has been or is participating in the County Employees Retirement  
12 System and is at least sixty-two (62) years of age. If a mayor or member  
13 of a city legislative body who is at least sixty-two (62) years of age  
14 retires from the systems administered by Kentucky Retirement Systems  
15 but remains in office after his or her effective retirement date, the mayor  
16 or member of the city legislative body shall not accrue any further  
17 service credit or benefits in the systems administered by Kentucky  
18 Retirement Systems for any employment occurring on or after the  
19 effective retirement date;

20 (e) Notwithstanding any provision of this section, any current or future part-time  
21 adjunct instructor for the Kentucky Fire Commission who has not participated  
22 in the Kentucky Employees Retirement System prior to retirement, but who is  
23 otherwise eligible to retire from the County Employees Retirement System,  
24 shall not be:

- 25 1. Required to resign from his or her position as a part-time adjunct  
26 instructor for the Kentucky Fire Commission in order to begin drawing  
27 benefits from the County Employees Retirement System; or

- 1           2. Subject to any provision of this section as it relates solely to his or her
- 2           service as a part-time adjunct instructor for the Kentucky Fire
- 3           Commission;
- 4       (f) If a member is receiving a retirement allowance from any of the retirement
- 5           systems administered by the Kentucky Retirement Systems or County
- 6           Employees Retirement System and enters into a contract or becomes a leased
- 7           employee of an employer under contract with an employer participating in
- 8           one (1) of the systems administered by the Kentucky Retirement Systems or
- 9           County Employees Retirement System:
- 10          1. At any time following retirement, if the Authority determines the
- 11           employment arrangement does qualify as an independent contractor or
- 12           leased employee, the member may continue to receive his or her
- 13           retirement allowance during the period of the contract;
- 14          2. Within one (1) month following the member's initial retirement date, if
- 15           the Authority determines the employment arrangement does not qualify
- 16           as an independent contractor or leased employee, the member's
- 17           retirement shall be voided in accordance with paragraph (a) of this
- 18           subsection;
- 19          3. After one (1) month but within twelve (12) months following the
- 20           member's initial retirement, if the Authority determines the employment
- 21           arrangement does not qualify as an independent contractor or leased
- 22           employee and that a prearranged agreement existed between the member
- 23           and the agency for the member to return to work with the agency, the
- 24           member's retirement shall be voided in accordance with paragraph (a) of
- 25           this subsection; and
- 26          4. After a twelve (12) month period following the member's initial
- 27           retirement, the member may continue to receive his or her retirement

1 allowance during the period of the contract and the member shall not be  
2 required to notify the system or submit any documentation for purposes  
3 of this section to the system.

4 The initiation of a contract or the initial date of the leased employment of a  
5 retired member by a participating agency that occurs after twelve (12) months  
6 or more following the retired member's retirement date shall not constitute a  
7 prearranged agreement under this subsection; and

8 (g) The Authority shall issue a final determination regarding a certification of the  
9 absence of a prearranged agreement or the retired member's qualification as  
10 an independent contractor or leased employee as required under this section  
11 no later than thirty (30) days after the retired member and participating  
12 employer provide all required forms and additional information required by  
13 the Authority.

14 (18) The Authority shall promulgate administrative regulations to implement the  
15 requirements of this section, including incorporating by reference board-prescribed  
16 forms that a retired member and participating agency shall provide the systems  
17 under subsections (8), (9), and (17) of this section.

18 ➔Section 2. KRS 78.5540 is amended to read as follows:

19 (1) A retired member whose disability retirement was discontinued pursuant to KRS  
20 78.5528 and who is reemployed by an employer participating in the system or the  
21 Kentucky Retirement Systems prior to his or her normal retirement date shall have  
22 his or her accounts combined upon termination for determining eligibility for  
23 benefits. If the member is eligible for retirement, the member's service and  
24 creditable compensation earned as a result of his or her reemployment shall be used  
25 in the calculation of benefits, except that the member's final compensation shall not  
26 be less than the final compensation last used in determining his or her retirement  
27 allowance. The member shall not change beneficiary or payment option

1 designations.

2 (2) (a) If a retired member accepts employment or begins serving as a volunteer with  
3 an employer participating in the systems administered by Kentucky  
4 Retirement Systems or the County Employees Retirement System within  
5 twelve (12) months of his or her retirement date, the retired member shall  
6 notify the Authority and the participating employer shall submit the  
7 information required or requested by the Authority to confirm the individual's  
8 employment or volunteer status. The retired member shall not be required to  
9 notify the Authority regarding any employment or volunteer service with a  
10 participating agency that is accepted after twelve (12) months following his or  
11 her retirement date.

12 (b) If the retired member is under a contract to provide services as an independent  
13 contractor or leased employee to an employer participating in the systems  
14 administered by Kentucky Retirement Systems or the County Employees  
15 Retirement System within twelve (12) months of his or her retirement date,  
16 the member shall submit a copy of that contract to the Authority, and the  
17 Authority shall determine if the member is an independent contractor or  
18 leased employee for purposes of retirement benefits. The retired member and  
19 the participating employer shall submit the information required or requested  
20 by the Authority to confirm the individual's status as an independent  
21 contractor or leased employee. The retired member shall not be required to  
22 notify the Authority regarding any services entered into as an independent  
23 contractor or leased employee with a participating agency that the employee  
24 enters into after twelve (12) months following his or her retirement date.

25 (3) Retired members of the County Employees Retirement System who returned to  
26 work with an employer that participates in the County Employees Retirement  
27 System or Kentucky Retirement Systems prior to September 1, 2008, shall be

1 governed by the provisions of KRS 61.637(1) to (16).

2 (4) The following shall apply to retired members of the County Employees Retirement  
3 System who are reemployed on or after September 1, 2008, by an agency  
4 participating in the systems administered by the County Employees Retirement  
5 System or the Kentucky Retirement Systems:

6 (a) If a retired member is receiving a retirement allowance from the County  
7 Employees Retirement System, or has filed the forms required to receive a  
8 retirement allowance from the County Employees Retirement System, and is  
9 employed in a regular full-time position required to participate in the County  
10 Employees Retirement System or one (1) of the systems administered by the  
11 Kentucky Retirement Systems or is employed in a position that is not  
12 considered regular full-time with an employer participating in the County  
13 Employees Retirement System or in one (1) of the systems administered by  
14 the Kentucky Retirement Systems within one (1) month following the  
15 member's initial retirement date, the member's retirement shall be voided, and  
16 the member shall repay to the system all benefits received, including any  
17 health insurance benefits. If the retired member is returning to work in a  
18 regular full-time position required to participate in the County Employees  
19 Retirement System:

- 20 1. The member shall contribute to a member account established for him or  
21 her in the County Employees Retirement System or in one (1) of the  
22 systems administered by the Kentucky Retirement Systems, and  
23 employer contributions shall be paid on behalf of the member by the  
24 participating employer to the system; and
- 25 2. Upon subsequent retirement, the member shall be eligible for a  
26 retirement allowance based upon total service and creditable  
27 compensation, including any additional service or creditable



1 compensation earned after his or her initial retirement was voided;

2 (b) If a retired member is receiving a retirement allowance from the County  
3 Employees Retirement System and is employed in a regular full-time position  
4 required to participate in the County Employees Retirement System or in one  
5 (1) of the systems administered by the Kentucky Retirement Systems after a  
6 one (1) month period following the member's initial retirement date, the  
7 member may continue to receive his or her retirement allowance during the  
8 period of reemployment subject to the following provisions:

9 1. If a member is reemployed by a participating employer within twelve  
10 (12) months of the member's retirement date, the participating employer  
11 shall certify in writing on a form prescribed by the Authority that no  
12 prearranged agreement existed between the employee and employer  
13 prior to the employee's retirement for the employee to return to work  
14 with the participating employer. If the participating employer fails to  
15 complete the certification or the Authority determines a prearranged  
16 agreement exists, the member's retirement shall be voided and the  
17 provisions of paragraph (a) of this subsection shall apply to the member  
18 and the employer. For purposes of this paragraph:

19 a. If an elected official is reelected to a new term of office in the  
20 same position as the elected official held prior to retirement and  
21 takes office within twelve (12) months of his or her retirement  
22 date, he or she shall be deemed by the Authority as having a  
23 prearranged agreement; and

24 b. Employment that is accepted by the retired member after twelve  
25 (12) months following the member's retirement date shall not  
26 constitute a prearranged agreement under this paragraph;

27 2. Notwithstanding any other provision of KRS Chapter 78 to the contrary,

1 the member shall not contribute to the system and shall not earn any  
2 additional benefits for any work performed during the period of  
3 reemployment;

4 3. Except as provided by KRS 70.291 to 70.293, 95.022, and 164.952 and  
5 except for any retiree employed as a school resource officer as defined  
6 by KRS 158.441, the employer shall pay employer contributions as  
7 specified by KRS 78.5536 and 78.635 on all creditable compensation  
8 earned by the employee during the period of reemployment. The  
9 additional contributions paid shall be used to reduce the unfunded  
10 actuarial liability of the system; and

11 4. Except as provided by KRS 70.291 to 70.293, 95.022, and 164.952 and  
12 except for any retiree employed as a school resource officer as defined  
13 by KRS 158.441, the employer shall be required to reimburse the system  
14 for the cost of the health insurance premium paid by the system to  
15 provide coverage for the retiree, not to exceed the cost of the single  
16 premium. Effective July 1, 2015, local school boards shall not be  
17 required to pay the reimbursement required by this subparagraph for  
18 retirees employed by the board for eighty (80) days or less during the  
19 fiscal year. *Effective August 1, 2024, the Department of Education*  
20 *shall pay for the health reimbursements required by this subparagraph*  
21 *for a retiree who participated in a hazardous position prior to July 1,*  
22 *2003, in the County Employees Retirement System or in one (1) of the*  
23 *systems administered by the Kentucky Retirement Systems, and who is*  
24 *reemployed by a local school board;*

25 (c) Notwithstanding paragraphs (a) and (b) of this subsection, a retired member  
26 who qualifies as a volunteer for an employer participating in the County  
27 Employees Retirement System or the Kentucky Retirement Systems and who

1 is receiving reimbursement of actual expenses, a nominal fee for his or her  
2 volunteer services, or both, shall not be considered an employee of the  
3 participating employer and shall not be subject to paragraphs (a) and (b) of  
4 this subsection if:

- 5 1. Prior to the retired member's most recent retirement date, he or she did  
6 not receive creditable compensation from the participating employer in  
7 which the retired member is performing volunteer services;
- 8 2. Any reimbursement or nominal fee received prior to the retired  
9 member's most recent retirement date has not been credited as creditable  
10 compensation to the member's account or utilized in the calculation of  
11 the retired member's benefits;
- 12 3. The retired member has not purchased or received service credit under  
13 any of the provisions of KRS 78.510 to 78.852 for service with the  
14 participating employer for which the retired member is performing  
15 volunteer services; and
- 16 4. Other than the status of volunteer, the retired member does not become  
17 an employee, leased employee, or independent contractor of the  
18 employer for which he or she is performing volunteer services for a  
19 period of at least twelve (12) months following the retired member's  
20 most recent retirement date.

21 If a retired member, who provided volunteer services with a participating  
22 employer under this paragraph violates any provision of this paragraph, then  
23 he or she shall be deemed an employee of the participating employer as of the  
24 date he or she began providing volunteer services and both the retired member  
25 and the participating employer shall be subject to paragraphs (a) and (b) of  
26 this subsection for the period of volunteer service;

- 27 (d) Notwithstanding any provision of this section, any mayor or member of a city

1 legislative body shall not be required to resign from his or her position as  
2 mayor or as a member of the city legislative body in order to begin drawing  
3 benefits from the systems administered by the Kentucky Retirement Systems  
4 or the County Employees Retirement System or subject to any provision of  
5 this section as it relates solely to his or her service as a mayor or member of  
6 the city legislative body, if the mayor or member of a city legislative body:

- 7 1. Has not participated in the County Employees Retirement System prior  
8 to retirement, but is otherwise eligible to retire from the Kentucky  
9 Employees Retirement System or the State Police Retirement System; or
- 10 2. Has been or is participating in the County Employees Retirement  
11 System and is at least sixty-two (62) years of age. If a mayor or member  
12 of a city legislative body who is at least sixty-two (62) years of age  
13 retires from the systems administered by Kentucky Retirement Systems  
14 or the County Employees Retirement System but remains in office after  
15 his or her effective retirement date, the mayor or member of the city  
16 legislative body shall not accrue any further service credit or benefits in  
17 the systems administered by Kentucky Retirement Systems or the  
18 County Employees Retirement System for any employment occurring  
19 on or after the effective retirement date;

20 (e) Notwithstanding any provision of this section, any current or future part-time  
21 adjunct instructor for the Kentucky Fire Commission who has not participated  
22 in the Kentucky Employees Retirement System prior to retirement, but who is  
23 otherwise eligible to retire from the County Employees Retirement System,  
24 shall not be:

- 25 1. Required to resign from his or her position as a part-time adjunct  
26 instructor for the Kentucky Fire Commission in order to begin drawing  
27 benefits from the County Employees Retirement System; or

1           2. Subject to any provision of this section as it relates solely to his or her  
2           service as a part-time adjunct instructor for the Kentucky Fire  
3           Commission;

4           (f) If a member is receiving a retirement allowance from the County Employees  
5           Retirement System and enters into a contract or becomes a leased employee of  
6           an employer under contract with an employer participating in the County  
7           Employees Retirement System or one (1) of the systems administered by the  
8           Kentucky Retirement Systems:

9           1. At any time following retirement, if the Authority determines the  
10          employment arrangement does qualify as an independent contractor or  
11          leased employee, the member may continue to receive his or her  
12          retirement allowance during the period of the contract;

13          2. Within one (1) month following the member's initial retirement date, if  
14          the Authority determines the employment arrangement does not qualify  
15          as an independent contractor or leased employee, the member's  
16          retirement shall be voided in accordance with paragraph (a) of this  
17          subsection;

18          3. After one (1) month but within twelve (12) months following the  
19          member's initial retirement, if the Authority determines the employment  
20          arrangement does not qualify as an independent contractor or leased  
21          employee and that a prearranged agreement existed between the member  
22          and the agency for the member to return to work with the agency, the  
23          member's retirement shall be voided in accordance with paragraph (a) of  
24          this subsection; and

25          4. After a twelve (12) month period following the member's initial  
26          retirement, the member may continue to receive his or her retirement  
27          allowance during the period of the contract and the member shall not be

1 required to notify the Authority or submit any documentation for  
2 purposes of this section to the Authority. The initiation of a contract or  
3 the initial date of the leased employment of a retired member by a  
4 participating agency that occurs after twelve (12) months or more  
5 following the retired member's retirement date shall not constitute a  
6 prearranged agreement under this subsection;

7 (g) The Authority shall issue a final determination regarding a certification of the  
8 absence of a prearranged agreement or the retired member's qualification as  
9 an independent contractor or leased employee as required under this section  
10 no later than thirty (30) days after the retired member and participating  
11 employer provide all required forms and additional information required by  
12 the Authority; and

13 (h) Retired members of one (1) of the systems administered by Kentucky  
14 Retirement Systems who are reemployed by an employer in the County  
15 Employees Retirement System on or after September 1, 2008, shall not be  
16 eligible to earn a second retirement account in the County Employees  
17 Retirement System for his or her service to the employer.

18 (5) The Authority shall promulgate administrative regulations to implement the  
19 requirements of this section, including incorporating by reference Authority-  
20 prescribed forms that a retired member and participating agency shall provide the  
21 systems under subsections (1) and (4) of this section.

22 (6) "Reemployment" or "reinstatement" as used in this section shall not include a  
23 retired member who has been ordered reinstated by the Personnel Board under  
24 authority of KRS 18A.095. A retired member who has been ordered reinstated by  
25 the Personnel Board under authority of KRS 18A.095 or by court order or by order  
26 of the Human Rights Commission and accepts employment by an agency  
27 participating in the Kentucky Employees Retirement System or County Employees

1 Retirement System shall void his or her retirement by reimbursing the system in the  
2 full amount of his or her retirement allowance payments received.

3 ➔Section 3. KRS 161.158 is amended to read as follows:

- 4 (1) (a) Each district board of education may form its employees into a group or  
5 groups or recognize existing groups for the purpose of obtaining the  
6 advantages of group life, disability, medical, and dental insurance, or any  
7 group insurance plans to aid its employees including the state employee health  
8 insurance group as described in KRS 18A.225 to 18A.2287, as long as the  
9 employees continue to be employed by the board of education. Medical and  
10 dental group insurance plans obtained under authority of this section may  
11 include insurance benefits for the families of the insured group or groups of  
12 employees. Any district board of education may pay all or part of the  
13 premium on the policies, and may deduct from the salaries of the employees  
14 that part of the premium which is to be paid by them and may contract with  
15 the insurer to provide the above benefits. As permitted in KRS 160.280(4),  
16 board members shall be eligible to participate in any group medical or dental  
17 insurance provided by the district for employees.
- 18 (b) If a district board of education participates in the state employee health  
19 insurance program, as described in KRS 18A.225 to 18A.2287, for its active  
20 employees and terminates participation and there is a state appropriation  
21 approved by the General Assembly for the employer's contribution for active  
22 employees' health insurance coverage, neither the board of education nor the  
23 employees shall receive the state-funded contribution after termination from  
24 the state employee health insurance program.
- 25 (c) If a district board of education participates in the state employee health  
26 insurance program as described in KRS 18A.225 to 18A.2287 for its active  
27 employees, all district employees who are required to be offered health

1 insurance coverage for purposes of, and in accordance with, the federal  
2 Patient Protection and Affordable Care Act of 2010, Pub. L. No. 111-148,  
3 shall be eligible for the state-funded contribution appropriated by the General  
4 Assembly for the employer's contribution for active employees' health  
5 insurance coverage, including reimbursements for the cost of retiree health  
6 insurance as required by subsection (17)(b)4. of Section 1 of this Act and  
7 subsection (4)(b)4. of Section 2 of this Act.

- 8 (2) (a) Each district board of education shall adopt policies or regulations which will  
9 provide for:
- 10 1. a. Deductions from salaries of its employees or groups of employees  
11 whenever a request is presented to the board by said employees or  
12 groups thereof.
  - 13 b. The deductions shall be made from salaries earned in at least eight  
14 (8) different pay periods.
  - 15 c. The deductions may be made for, but are not limited to,  
16 membership dues, tax-sheltered annuities, and group insurance  
17 premiums.
  - 18 d. The district board is prohibited from deducting membership dues  
19 of an employee organization, membership organization, or labor  
20 organization. This provision shall apply to contracts entered into,  
21 opted in, extended or renewed on or after January 9, 2017.
  - 22 e. With the exception of membership dues, the board shall not be  
23 required to make more than one (1) remittance of amounts  
24 deducted during a pay period for a separate type of deduction; and
  - 25 2. Deductions from payments for the per diem and actual expenses  
26 provided under KRS 160.280(1) to members of the district board of  
27 education whenever a request is presented by a board member to the



1 board. The deductions may be made for but not be limited to  
2 membership dues, health insurance purchases, scholarship funds, and  
3 contributions to a political action committee.

4 (b) The deductions under paragraph (a)1. and 2. of this subsection shall be  
5 remitted to the appropriate organization or association as specified by the  
6 employees within thirty (30) days following the deduction, provided the  
7 district has received appropriate invoices or necessary documentation.

8 (c) Health insurance, life insurance, and tax-sheltered annuities shall be  
9 interpreted as separate types of deductions. When amounts have been  
10 correctly deducted and remitted by the board, the board shall bear no further  
11 responsibility or liability for subsequent transaction.

12 (3) Payments and deductions made by the board of education under the authority of this  
13 section are presumed to be for services rendered and for the benefit of the common  
14 schools, and the payments and deductions shall not affect the eligibility of any  
15 school system to participate in the public school funding program as established in  
16 KRS Chapter 157.