

78.640 Members' account -- Interest -- Transfer of account balance to retirement allowance account.

- (1) The members' account shall be the account to which:
 - (a) All members' contributions, or contributions picked up by the employer after August 1, 1982, and interest allowances as provided in KRS 78.510 to 78.852 shall be credited, except as provided by KRS 78.5536(3)(b); and
 - (b) For members who begin participating in the system on or after January 1, 2014, the employer pay credit and interest credited on such amounts as provided by KRS 78.5512 and 78.5516 shall be credited.

Only funds from this account shall be used to return the accumulated contributions or accumulated account balances of a member when required to be returned to him or her by reason of any provision of KRS 78.510 to 78.852. Prior to the member's retirement, death, or refund in accordance with KRS 61.625, no funds shall be made available from the member account.

- (2) Each member's contribution or contribution picked up by the employer shall be credited to the individual account of the contributing member, except as provided by KRS 78.5536(3)(b).
- (3)
 - (a) Each member shall have his or her individual account credited with interest on June 30 of each year.
 - (b) For a member who begins participating before September 1, 2008, interest shall be credited to his or her individual account at a rate determined by the board but not less than two percent (2%) per annum on the accumulated account balance of the member on June 30 of the preceding fiscal year.
 - (c) For a member who begins participating on or after September 1, 2008, but prior to January 1, 2014, interest shall be credited to his or her individual account at a rate of two and one-half percent (2.5%) per annum on the accumulated contributions of the member on June 30 of the preceding fiscal year.
 - (d) For a member who begins participating on or after January 1, 2014, in the hybrid cash balance plan, interest shall be credited in accordance with KRS 78.5512 and 78.5516.
 - (e) The amounts of interest credited to a member's account under this subsection shall be transferred from the retirement allowance account.
- (4)
 - (a) Upon the retirement of a member who began participating in the system prior to January 1, 2014, his or her accumulated account balance shall be transferred from the members' account to the retirement allowance account.
 - (b) Upon the retirement of a member who began participating in the system on or after January 1, 2014, who elects to annuitize his or her accumulated account balance as prescribed by KRS 78.5512(7)(a) or (b) or 78.5516(7)(a) or (b), the member's accumulated account balance shall be transferred to the retirement allowance account.

Effective: July 15, 2024

History: Amended 2024 Ky. Acts ch. 55, sec. 25, effective July 15, 2024. -- Amended 2021 Ky. Acts ch. 102, sec. 27, effective April 1, 2021. -- Amended 2018 Ky. Acts

ch. 107, sec. 21, effective July 14, 2018. -- Amended 2013 Ky. Acts ch. 120, sec. 78, effective July 1, 2013. -- Amended 2009 Ky. Acts ch. 77, sec. 27, effective June 25, 2009. -- Amended 2008 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 27, effective June 27, 2008. -- Amended 2000 Ky. Acts ch. 385, sec. 37, effective July 14, 2000. -- Amended 1982 Ky. Acts ch. 166, sec. 30, effective July 15, 1982. -- Amended 1978 Ky. Acts ch. 311, sec. 25, effective June 17, 1978. -- Amended 1976 Ky. Acts ch. 321, sec. 40. -- Amended 1966 Ky. Acts ch. 34, sec. 6. -- Amended 1964 Ky. Acts ch. 49, sec. 8. -- Amended 1962 Ky. Acts ch. 31, sec. 10. -- Created 1958 Ky. Acts ch. 167, sec. 14.

Legislative Research Commission Note (6/27/2008). The Reviser of Statutes has altered the numbering of subsection (3) of this statute from the way it appears in 2008 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 27, under the authority of KRS 7.136(1)(c).

Legislative Research Commission Note (12/13/2018). On December 13, 2018, the Kentucky Supreme Court ruled that the passage of 2018 SB 151 (2018 Ky. Acts ch. 107), did not comply with the three-readings rule of Kentucky Constitution Section 46 and that the legislation is, therefore, constitutionally invalid and declared void. That ruling applies to changes made to this statute in that Act.