

FINANCE AND ADMINISTRATION CABINET
Teachers' Retirement System
(Amended at ARRS Committee)

102 KAR 1:370. Annuitization and disbursement from supplemental benefit.

RELATES TO: KRS 161.220(13)(c), 161.635, 161.636

STATUTORY AUTHORITY: KRS 161.310(1)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 161.310 requires the Board of Trustees of the Teachers' Retirement System of the State of Kentucky (TRS) to promulgate all administrative regulations for the administration of the funds of the retirement system. KRS 161.635 and 161.636 establish a supplemental benefit component for TRS 4 members. Under these statutes, the member may, upon retirement or subsequently, choose to have the accumulated contributions in the supplemental benefit component annuitized into a lifetime monthly retirement allowance or receive the actuarial equivalent under one (1) of the options established by the board pursuant to KRS 161.630 or take a distribution over a period certain or a full or partial refund. This administrative regulation provides the process for, and rules of, the annuitization of and disbursement from the supplemental component.

Section 1. Definition. (1) "TRS 4 members" means those individuals who establish membership in the retirement system on or after January 1, 2022.

Section 2. Upon retirement or subsequently, members may elect to annuitize into a lifetime monthly retirement allowance the total contributions to the supplemental benefit component in accordance with the actuarial assumptions and methods adopted by the board and in effect at the time of the member's retirement date. Members may also elect to annuitize a portion of the contributions to the supplemental benefit component and either receive a disbursement of the remaining contributions or leave the remaining balance in the supplemental benefit component to be accredited regular interest in accordance with KRS 161.220(13)(c). Members may not elect an annuity that provides a retirement allowance of less than \$100 per month unless that retirement annuity represents an annuitization of all the contributions to the supplemental benefit component.

Section 3. Upon retirement or subsequently, members may request distribution of all contributions to the supplemental benefit component, partial disbursements, or leave all or part of the contributions in the supplemental benefit component to be accredited interest in accordance with KRS 161.220(13)(c). Partial disbursements shall be in amounts not less than \$5,000 unless the remaining balance is less than \$5,000.

(51 Ky.R. 431, 855; eff. 11-8-2024.)

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