

FINANCE AND ADMINISTRATION CABINET
Kentucky Public Pensions Authority
(Amendment)

105 KAR 1:300. Determination of service credit for local school board classified employees.

RELATES TO: KRS 61.545, 61.552, 78.615

STATUTORY AUTHORITY: KRS 61.545(1), 78.615(1)(c)

CERTIFICATION STATEMENT: This is to certify that this administrative regulation complies with the requirements of KRS 13A.105(2) because it does not have a major economic impact.

NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.545(1) requires the Kentucky Public Pensions Authority to determine by administrative regulation how much service in any year is the equivalent of a year of service credit. KRS 78.615 establishes the calculation for determination of retirement service credit for classified employees of local school boards. KRS 78.615(1)(c) allows classified employees of local school boards who work less than a complete school year to purchase service credit to complete the fiscal year according to administrative regulations promulgated by the Kentucky Public Pensions Authority. This administrative regulation establishes the formulas to be used to determine the number of months of service credit earned and for the purchase of service credit for local school board classified employees who work less than a complete school year.

Section 1. For school years beginning July 1, 2000 and after, upon the employee's completion of the school year, termination, or death, whichever occurs first, the retirement system shall determine each employee's fiscal year service credit as established in this section.

(1)

(a) The employee's actual days worked, as reported by the school board, shall be divided by twenty (20) to determine the number of months and fractional months worked during the fiscal year.

(b) The employee's total wages shall be divided by the hourly rate reported by the school board to determine the total number of hours worked during the fiscal year.

(c) The employee's total number of hours worked shall be divided by the employee's months and fractional months worked to determine if the employee worked an average of at least eighty (80) hours per month.

(2)

(a) If the employee does not work an average of at least eighty (80) hours per month over the number of actual days worked, the employee's contract days, as reported by the school board, shall be divided by twenty (20) to determine the number of months and fractional months worked during the fiscal year.

(b) The employee's total wages shall be divided by the hourly rate reported by the school board to determine the total number of hours worked during the fiscal year.

(c) The employee's total number of hours worked shall be divided by the employee's months and fractional months worked to determine if the employee worked an average of at least eighty (80) hours per month.

(3) If the employee does not work an average at least eighty (80) hours per month over the number of actual days worked or contract days, the service credit shall be disallowed and all employer and employee contributions shall be refunded. Individual months in which the employee worked eighty (80) or more hours during the fiscal year may be purchased as established in KRS 61.552.

Section 2. Each school board employee whose employment averages eighty (80) or more hours per month over their actual days worked or contract days as determined in Section 1 of this administrative regulation, shall be credited with total service credit for the school year determined as established in this section.

(1) If the employee worked at least 180 actual or contract days, the employee shall be credited with twelve (12) months of service credit.

(2) If the employee worked fewer than 180 actual or contract days, the employee shall receive the number of months of service credit determined by dividing the actual number of days worked or contract days by 180 and multiplying the resulting ratio by twelve (12) months. The number of months of service shall be rounded to the nearest whole month, except that the employee shall not receive twelve (12) months of service credit unless the employee worked 180 or more actual or contract days during the school year.

Section 3. For school years beginning July 1, 1996 through June 30, 2000, each school board employee whose employment averages eighty (80) or more hours per month over their actual days worked as determined in Section 1(1) of this administrative regulation, shall be credited with total service credit for the school year determined as established in this section.

(1) If the employee worked an average of at least eighty (80) hours per month over the number of actual days worked, as reported by the school board, the employee shall be credited with service based on the number of months and fractional months rounded to the next whole month.

(2)

(a) If the employee does not work an average of at least eighty (80) hours per month over the number of actual days worked, the employee's contract days, as reported by the school board, shall be divided by twenty (20) to determine the number of months and fractional months worked during the fiscal year;

(b) The employee's total wages shall be divided by the hourly rate reported by the school board to determine the total number of hours worked during the fiscal year;

(c) The employee's total number of hours worked shall be divided by the employee's months and fractional months worked to determine if the employee worked an average of at least eighty (80) hours per month; and

(d) Each school board employee who worked an average of at least eighty (80) hours per month over the number of contract days, shall be credited with service based on the number of months and fractional months rounded to the next whole month.

(3) If the employee does not work an average of at least eighty (80) hours per month over the number of actual days worked or contract days, the employee shall be allowed to retain credit for individual months representing at least eighty (80) hours of employment. Contributions and interest, if any, for months not representing eighty (80) hours of employment shall be refunded to the employee and employer.

Section 4. For school years prior to July 1, 1996, the retirement system shall determine each employee's fiscal year service credit as established in this section.

(1)

(a) The employee's total fiscal year wages shall be divided by the hourly rate, as reported by the school board, to determine the total number of hours worked during the fiscal year;

(b) The employee's total number of hours worked during the fiscal year shall be divided by the employee's number of actual months reported by the school board to determine if the employee worked an average of at least eighty (80) hours per month; and

(c) If the employee worked an average of at least eighty (80) hours per month over the number of actual months as reported by the school board, the employee shall be

credited with service based on the number of actual months reported.

(2)

(a) If the employee does not work at least an average of eighty (80) hours per month over the number of months reported for each fiscal year, the employee's total calendar wages shall be divided by the hourly rate reported by the school board to determine the number of hours worked during the calendar year;

(b) The employee's total number of hours worked during the calendar year shall be divided by the number of calendar months reported by the school board to determine if the employee worked an average of at least eighty (80) hours per month; and

(c) If the employee worked an average of at least eighty (80) hours per month over the number of calendar months as reported by the school board, the employee shall be credited with service based on the number of calendar months reported.

(3)

(a) If the employee does not work at least an average of eighty (80) hours per month over the number of months reported for each fiscal or calendar year, the employee's contract days, as reported by the school board, shall be divided by twenty (20) to determine the number of months and fractional months worked during the fiscal year;

(b) The employee's total wages shall be divided by the hourly rate reported by the school board to determine the total number of hours worked during the fiscal year;

(c) The employee's total number of hours worked shall be divided by the employee's months and fractional months worked to determine if the employee worked an average of at least eighty (80) hours per month; and

(d) If the employee worked an average of at least eighty (80) hours per month over the number of contract days, as reported by the school board, the employee shall be credited with service based on the number of months and fractional months rounded to the next whole month.

(4)

(a) If the employee does not work at least an average of eighty (80) hours per month over the number of months reported for each fiscal or calendar year, or contract days, the employee's actual days worked, as reported by the school board, shall be divided by twenty (20) to determine the number of months and fractional months worked during the fiscal year;

(b) The employee's total wages shall be divided by the hourly rate reported by the school board to determine the total number of hours worked during the fiscal year;

(c) The employee's total number of hours worked shall be divided by the employee's months and fractional months worked to determine if the employee worked an average of at least eighty (80) hours per month; and

(d) If the employee worked an average of at least eighty (80) hours per month over the number of actual days worked, as reported by the school board, the employee shall be credited with service based on the number of months and fractional months rounded to the nearest whole month.

(5) If the employee does not work an average of at least eighty (80) hours per month over the number of reported months for each fiscal or calendar year, contract days, or actual days worked, the member is allowed to retain credit for individual months representing at least eighty (80) hours of employment. Contributions and interest, if any, for months not representing eighty (80) hours of employment shall be refunded to the employee and employer.

RYAN BARROW, Executive Director

APPROVED BY AGENCY: November 4, 2025

FILED WITH LRC: November 7, 2025 at 11:15 a.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held on Monday, January 26, 2026 at 10:00 a.m. Eastern Time at the Kentucky Public Pensions Authority (KPPA), 1270 Louisville Road, Frankfort, Kentucky 40601. Individuals interested in presenting a public comment at this hearing shall notify this agency in writing no later than five (5) workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made.

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