

FINANCE AND ADMINISTRATION CABINET
Kentucky Public Pensions Authority
(Amendment)

105 KAR 1:380. Minimum distribution.

RELATES TO: KRS 61.645(9)(e), 26 C.F.R. 1.401(a)(9)-1-1.401(a)(9)-9, 26 U.S.C. 401(a)(9), 26 U.S.C. 414(d)

STATUTORY AUTHORITY: KRS 61.645(9)(e)

CERTIFICATION STATEMENT: This is to certify that this administrative regulation complies with KRS 13A.150(2) because it does not have a major economic impact.

NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.645(9)(g) requires the Kentucky Public Pensions Authority to promulgate administrative regulations necessary to carry out the provisions of KRS 61.515 to 61.705, 16.510 to 16.652, and 78.520 to 78.852. KRS 61.645(9)(e) and this administrative regulation implement the statutory requirements of IRC Section 401(a)(9), which is codified as 26 U.S.C. 401(a)(9). This administrative regulation establishes minimum distribution requirements as applied to a governmental plan pursuant to 26 U.S.C. 414(d), 401(a)(9), and the federal SECURE Act of 2022 .

Section 1. Definitions.

- (1) "Applicable age" means the age established in 26 U.S.C. 401(a)(9)(C)(v).
- (2) "Designated beneficiary" means an individual designated as the beneficiary under applicable plan provisions or by a participant's affirmative election.
- (3) "Required beginning date" means April 1 of the calendar year following the later of the calendar year in which the member attains the applicable age or retires.

Section 2.

- (1) This administrative regulation shall apply to members of a fund established in accordance with KRS 61.515 to 61.705, 16.510 to 16.652, and 78.520 to 78.852.
- (2) Kentucky Public Pensions Authority shall pay all benefits in accordance with 26 U.S.C. 401(a)(9) and the Code of Federal Regulations in effect under that section, as applicable to a governmental plan within the meaning of 26 U.S.C. 414(d). The requirements of 26 U.S.C. 401(a)(9) and Title 26 of the Code of Federal Regulations shall take precedence over any inconsistent provisions of this administrative regulation or KRS 61.515 to 61.705, 16.510 to 16.652, and 78.520 to 78.852.
- (3) The member's entire interest shall be distributed over the member's life or lives of the member and a designated beneficiary, or over a period not extending beyond the life expectancy of the member or of the member and a designated beneficiary.

Section 3.

- (1) Except as provided in subsection (2) of this section, the member's entire interest shall be distributed or begin to be distributed no later than the member's required beginning date.
- (2) If the member dies before distributions begin, the member's entire interest shall be distributed, or begin to be distributed, no later than as established in this subsection.
 - (a) Except as provided in subsection (3) of this section, distributions to a member's sole designated beneficiary shall begin by the later of:
 1. December 31 of the calendar year immediately following the calendar year in which the member died; or
 2. December 31 of the calendar year in which the member would have attained the applicable age.
 - (b) If there is no designated beneficiary as of September 30 of the year following the year of the member's death, or if the beneficiary on file is a trust, the member's entire

interest shall be distributed by December 31 of the calendar year containing the fifth anniversary of the member's death.

(c) If the member's surviving spouse is the member's sole designated beneficiary and the surviving spouse dies after the member but before distributions to the surviving spouse begin, this subsection, except for paragraph (a), shall apply as if the surviving spouse were the member as established in 26 C.F.R. 1.401(a)(9)-3(e).

(3) If a member dies after the required distribution of benefits has begun, the remaining portion of the member's interest shall be distributed at least as rapidly as under the method of distribution before the member's death.

(4)

(a) For purposes of Section 3(2) to (3) and Section 6 of this administrative regulation, distributions shall begin on the member's required beginning date.

(b) If annuity payments irrevocably commence to the member before the member's required beginning date, or to the member's surviving spouse before the date distributions are required to begin to the surviving spouse pursuant to subsection (2)(a) of this section, the date distributions are considered to begin shall be the date distributions actually commence.

Section 4.

(1) If the member's interest is paid in the form of annuity distributions, payments pursuant to the annuity shall:

(a) Be paid in monthly periodic payments;

(b) Have a distribution period over a life or lives, or over a period certain not longer than the period established in Title 26 of the Code of Federal Regulations;

(c) Not change the period certain once payments have begun over a period certain, even if the period certain is shorter than the maximum permitted; and

(d) Increase payments only:

1. By the annual percentage increase provided for pursuant to KRS 61.515 to 61.705, 16.510 to 16.652, and 78.520 to 78.852;

2. To the extent of the reduction in the amount of the member's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in this section dies, or if the beneficiary is the member's spouse and they divorce, as provided in KRS 61.635(10);

3. To provide cash refunds of employee contributions upon the member's death; or

4. To pay any increased benefits that result from a plan amendment.

(2)

(a) The amount that shall be distributed on or before the member's required beginning date, or if the member dies before distributions begin, the date distributions are required to begin pursuant to Section 3 of this administrative regulation, shall be the payment that is required for one (1) month.

(b) The second payment shall not be required to be made until the end of the next payment interval even if that payment interval ends in the next calendar year.

(c) All of the member's benefit accruals as of the last day of the first distribution calendar year shall be included in the calculation of the amount of the annuity payments for months ending on or after the member's required beginning date.

Section 5.

(1) The amount of annuity paid to a member's beneficiary shall not exceed the maximum determined under the incidental death benefit requirement established in 26 U.S.C. 401(a)(9)(G), and the minimum distribution incidental benefit rule established in 26 C.F.R. 1.401(a)(9)-6(b).

(2) The death and disability benefits provided by Kentucky Retirement Systems and County Employees Retirement System shall be limited by the incidental benefit rule established in 26 U.S.C. 401(a)(9)(g) and 1.401-1(b)(1)(i). As a result, the total death or disability benefits payable shall not exceed twenty-five (25) percent of the cost of all of the members' benefits received from Kentucky Retirement Systems and County Employees Retirement System.

(3)

(a) Unless the member's spouse who is more than ten (10) years younger than the member is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the member's lifetime shall not exceed the applicable distribution period for the member pursuant to the uniform lifetime table established in 26 C.F.R. 1.401(a)(9)-9 for the calendar year that contains the annuity starting date.

(b) If the member is younger than the applicable age on the member's birthday in the calendar year that includes the annuity starting date, the period certain may not exceed the limitation on the period certain for a person who has attained the applicable age, increased by the number of years the member is younger than the applicable age on that birthday.

(4) If the member's spouse is ten (10) years younger than the member and is the member's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain shall not exceed the longer of the member's applicable distribution period, as determined pursuant to this subsection, or the joint life and last survivor expectancy of the member and the member's spouse as determined pursuant to the joint and last survivor table established in 26 C.F.R. 1.401(a)(9)-9, using the member's and spouse's attained ages as of the member's and spouse's birthdays in the calendar year that contains the annuity starting date.

Section 6.

(1) If the member dies before the date distribution of the member's interest begins and there is a designated beneficiary, the entire interest payable to the member shall be distributed, beginning no later than the time established in Section 3(2)(a) or (b) of this administrative regulation, over the life of the designated beneficiary or over a period certain not exceeding:

(a) Unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the member's death; or

(b) If the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.

(2) If the member dies before the date distribution of their interest begins, the member's surviving spouse is the member's sole designated beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this section shall apply as if the surviving spouse were the member, except that the time by which distributions are required to begin shall be determined without regard to Section 3(2)(a) of this administrative regulation.

RYAN BARROW, Executive Director

APPROVED BY AGENCY: December 10, 2025
FILED WITH LRC: January 9, 2026 AT 10:45 a.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held on March 23, 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. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through March 31, 2026 and shall receive the same consideration as verbal comments. Send written notification of intent to be heard at the public hearing, or written comments on the proposed administrative regulation, to the contact person. KPPA shall file a response with the Regulations Compiler to any public comments received, whether at the public comment hearing or in writing, via a Statement of Consideration no later than the 15th day of the month following the end of the public comment period, or upon filing a written request for extension, no later than the 15th day of the second month following the end of the public comment period.

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