

**102 KAR 1:038. Fractional service year for members initially employed on a full-time basis.**

RELATES TO: KRS 161.545, 161.5465

STATUTORY AUTHORITY: KRS 161.310(1), 161.545

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: KRS 161.545 authorizes members of the Teachers' Retirement System to make contributions for service other than regular full-time teaching in accordance with trustee administrative regulations. KRS 161.310(1) requires the Teachers' Retirement System Board of Trustees to promulgate administrative regulations for the administration of the funds of the retirement system and for the transaction of business. This administrative regulation establishes guidelines for accepting contributions and granting service credit for members employed for less than a full school year.

**Section 1.**

- (1) Except as provided in Sections 2, 3, and 4 of this administrative regulation, a member shall receive a proportional fraction of a year of service credit computed to the nearest hundredth if the member provides service for less than the regular contract year.
- (2) A member employed in a position listed in KRS 161.220(4)(b) or (n) in one (1) of the universities, colleges, or community colleges shall be employed in a regular full-time position in order to receive a proportional fraction of a year of service credit.

**Section 2.** A member employed for at least the first one-half (1/2) or more of a regular contract year shall have the option of purchasing credit for the balance of the contract year in accordance with the conditions of this section.

- (1) The member shall be employed in a regular full-time position pursuant to a contract that requires a full day of service for every workday of a full contract year.
- (2) The member would have received one (1) year of service credit for completing the contract had it been completed.
- (3) The member provided service for less than a full year as required by the contract.
- (4) The member was employed pursuant to the contract at the beginning of the fiscal or school contract year.
- (5) A member employed after the beginning of a regular contract year shall not be eligible to obtain service credit for the time prior to the member's employment.
- (6) This option shall not be exercised by a member more than one (1) time in a three (3) year period.
- (7) The member shall make contributions based on the equivalent annual contract salary, and interest at the rate of eight (8) percent shall be added to payments made after June 30 of the fractional year.
- (8) Payment for contributions shall be made by December 31 immediately following the year in which the fractional year's service occurred.
- (9) The total amount of service credit that may be purchased shall not exceed five (5) years, and service purchased in accordance with this section shall be included in calculating the maximum of five (5) years of nonqualified service credit that may be purchased in accordance with KRS 161.5465.

**Section 3.** A member employed for at least seven-tenths (7/10) of the regular contract year shall have the option of purchasing credit for the balance of the contract year in accordance with the conditions of this section.

- (1) The member shall be employed in a regular full-time position pursuant to a contract that requires a full day of service for every workday of a full contract year.

- (2) The member would have received one (1) year of service credit for completing the contract had it been completed.
- (3) The member provided service for less than a full year as required by the contract.
- (4) The member was employed pursuant to the contract at the beginning of the fiscal or school contract year.
- (5) A member employed after the beginning of a regular contract year shall not be eligible to obtain service credit for the time prior to the member's employment.
- (6) The member shall make contributions based upon the equivalent annual contract salary, and interest at the rate of eight (8) percent shall be added to payments made after June 30 of the fractional year.
- (7) Payment for contributions shall be made by December 31 immediately following the year in which the fractional year's service occurred.
- (8) The total amount of service credit that may be purchased shall not exceed five (5) years, and service purchased in accordance with this section shall be included in calculating the maximum of five (5) years of nonqualified service credit that may be purchased in accordance with KRS 161.5465.

Section 4. A member employed for at least one (1) complete pay period shall have the option of purchasing credit for the balance of the contract year in accordance with the conditions of this Section.

- (1) The member shall be employed in a regular full-time position pursuant to a contract that requires a full day of service for every workday of a full contract year.
- (2) The member would have received one (1) year of service credit for completing the contract had it been completed.
- (3) The member provided service for less than a full year as required by the contract.
- (4) The member was employed pursuant to the contract at the beginning of the fiscal or school contract year.
- (5) A member employed after the beginning of a regular contract year shall not be eligible to obtain service credit for the time prior to the member's employment.
- (6) This option shall not be exercised by a member more than one (1) time in a ten (10) year period.
- (7) The member shall make contributions based on the equivalent annual contract salary, and interest at the rate of eight (8) percent shall be added to payments made after June 30 of the fractional year.
- (8) Payment for contributions shall be made by the end of the fiscal year next succeeding the year in which the last salary payment was made.
- (9) The total amount of service credit that may be purchased shall not exceed five (5) years, and service purchased in accordance with this Section shall be included in calculating the maximum of five (5) years of nonqualified service credit that may be purchased in accordance with KRS 161.5465.

Section 5. A bona fide leave of absence shall be administered in accordance with 102 KAR 1:110.

(102 KAR 001:038. TRS-2(d); 1 Ky.R. 461; eff. 3-12-1975; 9 Ky.R. 241; eff. 9-8-1982; 29 Ky.R. 2934; 30 Ky.R. 272; eff. 8-13-2003; 33 Ky.R. 3430; 34 Ky.R. 228; eff. 8-31-2007; Crt eff. 7-3-2019; Crt eff. 12-17-2025.)