

67A.500 Withdrawal from service prior to retirement -- Refunds -- Forfeitures -- Repayment upon reemployment.

- (1) Upon withdrawal from service prior to retirement, a member shall be entitled to receive a refund of the amount of contributions made by the member or picked up by the urban-county government pursuant to KRS 67A.510(2) after the date of establishment, without interest. Payments of picked up employee contributions shall be subject to state and federal tax as appropriate.
- (2) Any member receiving a refund of contributions shall thereby ipso facto forfeit, waive, and relinquish all accrued rights and benefits in the system, including all credited and creditable service. The board may, in its discretion, regardless of cause, withhold payment of a refund for a period not to exceed six (6) months after receipt of an application from a member.
- (3) Any member who has received a refund shall be considered a new member upon subsequent reemployment if such person qualifies for membership under KRS 67A.360 to 67A.690. Any member who is reemployed after withdrawing from service and who received a refund of contributions shall, within ninety (90) days of his reemployment or prior to retirement, whichever occurs first, make a repayment to the system of the amount or amounts previously received as a refund, including interest at the rate determined by the board to be the actual rate of return on investments made by the board, but not less than three percent (3%) per annum, from the dates of the refund to the date of repayment, compounded annually. Upon the restoration of such refunds, such member shall have reinstated to his account all credited service represented by the refunds of which repayment has been made. Repayment of refunds by any member shall include all refunds received by a member prior to the date of his last withdrawal from service, with interest, and shall be made in a single lump sum payment. Repayments shall not be picked up by the urban-county government. If repayment is not made within the specified time period, the member shall have forever forfeited, waived, and relinquished the right to have reinstated to his account the credited service represented by the refunds for which repayment was not made, but shall not be precluded from purchasing service credit as provided in KRS 67A.402 if the member began participating in the fund prior to March 14, 2013.
- (4) Any member who has received, or who is entitled to receive, a refund, but who within six (6) months of becoming entitled to receive such refund, qualifies for membership under the provisions of a fund in effect in another government adopted pursuant to law, shall have the option of paying his refund into such other fund, in which event he shall be deemed a member of such other fund and his account therein shall be credited with all contributions, including those picked up pursuant to KRS 67A.510(2), and service under his original fund.

Effective: January 1, 2015

History: Amended 2014 Ky. Acts ch. 92, sec. 37, effective January 1, 2015. -- Amended 2013 Ky. Acts ch. 7, sec. 12, effective March 14, 2013. -- Amended 2000 Ky. Acts ch. 484, sec. 6, effective July 14, 2000. -- Amended 1982 Ky. Acts ch. 166, sec. 41, effective July 15, 1982. -- Created 1974 Ky. Acts ch. 106, sec. 15, effective July 1, 1974.