

96.180 Pension plan for employees -- Repeal of ordinances establishing pension fund -- Liquidation and distribution of assets -- Report -- Coverage provided in County Employees Retirement System after August 1, 1988.

- (1) The board may, by proper order, provide a pension plan for its employees. In the event the board elects to provide a pension plan, it shall determine and formulate the form of pension plan to be used; determine and prescribe the eligibility of employees or their dependents to a pension or other benefits; determine and prescribe the monthly allowance or pension for employees or their dependents so determined to be eligible for a pension or benefits under the pension plan, not to exceed, however, a sum equal to one-half (1/2) of the monthly salary or wages of any employee at the time of his or her retirement; appoint a commission, which shall consist of three (3) members possessing the qualifications of a member of the board, for the administration of the pension plan and prescribe the powers and duties of such commission; appoint a trustee of the pension fund, fix the term of his office and the compensation of such trustee, and prescribe the powers and duties of such trustee and do and perform any other or further acts necessary to effectuate such pension plan. When a pension plan shall have been adopted, a commission appointed to administer such plan and a trustee of the pension fund appointed and qualified, the board may annually appropriate and pay out of its operating revenue, as an operating expense, into the sinking fund, a sum sufficient, when determined on a fair actuarial basis, to maintain the pension plan so adopted, not exceeding, however, a sum equal to one-half of one percent (0.5%) of the fair value of the utility property and assets. The board may assess, and cause to be paid into the pension fund monthly, such amount or percent of the salary of all employees eligible under and electing to accept the pension plan as may be equitably determined on a fair actuarial basis, not to exceed, however, five percent (5%) of the monthly salary of any employee. The trustee of the pension fund shall give such bond as required by the board, the cost of which shall be payable out of the pension fund. The trustee of the pension fund shall each year file with the board a report showing his actions and his accounts as such trustee.
- (2) The board shall have full power to receive any and all funds of property which may be available or become available to the board or the city for use in the creation or maintenance of a pension plan for the employees of the board, including but not limiting the power to sign, execute and deliver such receipts, indemnity agreement or other writing which either the board or the city may be required to sign, execute and deliver to obtain any such fund or property for such purpose.
- (3) If all liabilities to all individuals entitled to benefits from the pension fund established under this section have been satisfied, the ordinances establishing the fund may be repealed by the majority vote of the entire board. If repealed, the fund's trustees shall, within sixty (60) days of repeal, proceed with the liquidation of any residual assets of the fund. All residual assets liquidated pursuant to this subsection shall be distributed by the trustees to the board's general fund so long as the return of assets complies with federal and state law governing the distribution of assets. Within thirty (30) days following the distribution of residual assets, the trustees of

the fund shall as its last act file a complete report with the board of the actions taken to terminate the fund and liquidate residual assets of the fund.

- (4) (a) After August 1, 1988, except as permitted by KRS 65.156, no new pension fund shall be created pursuant to this section and boards which were covered by this section on or prior to August 1, 1988, shall participate in the County Employees Retirement System effective August 1, 1988.
- (b) Any board which provided a pension plan for its employees on or prior to August 1, 1988, shall place employees hired after August 1, 1988, in the County Employees Retirement System. The board shall offer employees hired on or prior to August 1, 1988, membership in the County Employees Retirement System under the alternate participation plan as described in KRS 78.530(3), but such employees may elect to retain coverage under this section.

Effective: July 15, 2016

History: Amended 2016 Ky. Acts ch. 31, sec. 34, effective July 15, 2016. -- Amended 1988 Ky. Acts ch. 11, sec. 10, effective July 15, 1988. -- Amended 1984 Ky. Acts ch. 177, sec. 11, effective July 13, 1984. -- Amended 1964 Ky. Acts ch. 19, sec. 1. -- Created 1946 Ky. Acts ch. 212, sec. 12.

History of former KRS 96.180: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 3290-43, and renumbered as KRS 96.189, effective 1946.