

### **16.545 Contributions of members -- Picked-up employee contributions.**

- (1) Except for members over age fifty-five (55) on July 1, 1958, who shall not be required to contribute, each member shall, commencing on July 1, 1998, contribute for each pay period for which he receives compensation, eight percent (8%) of his creditable compensation.
- (2) The employer shall cause to be deducted from the compensation of each member for each and every payroll period subsequent to July 1, 1958, the contributions payable by such member as provided in KRS 16.510 to 16.652.
- (3) Every member shall be deemed to consent to deductions made as provided herein; and the payment of salary or compensation less such deduction shall be a full and complete discharge of all claims for services rendered by such person during the period covered by such payment, except as to any benefits provided by KRS 16.510 to 16.652.
- (4) Each employer shall, solely for the purpose of compliance with Section 414(h) of the United States Internal Revenue Code, pick up the employee contributions required by this section for all compensation earned after August 1, 1982, and the contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code and KRS 141.010. These contributions shall not be included as gross income of the employee until such time as the contributions are distributed or made available to the employee. The picked-up employee contribution shall satisfy all obligations to the retirement system satisfied prior to August 1, 1982, by the employee contribution, and the picked-up employee contribution shall be in lieu of an employee contribution. Each employer shall pay these picked-up employee contributions from the same source of funds which is used to pay earnings to the employee. The employee shall have no option to receive the contributed amounts directly instead of having them paid by the employer to the system. Employee contributions picked up after August 1, 1982, shall be treated for all purposes of KRS 16.510 to 16.652 in the same manner and to the same extent as employee contributions made prior to August 1, 1982.

**Effective:** April 27, 2018

**History:** Amended 2018 Ky. Acts ch. 171, sec. 64, effective April 14, 2018; and ch. 207, sec. 64, effective April 27, 2018. -- Amended 1998 Ky. Acts ch. 300, sec. 4, effective July 15, 1998. -- Amended 1990 Ky. Acts ch. 476, Pt. VII D, sec. 641, effective April 11, 1990. -- Amended 1986 Ky. Acts ch. 90, sec. 3, effective July 15, 1986. -- Amended 1982 Ky. Acts ch. 166, sec. 2, effective July 15, 1982. -- Amended 1976 Ky. Acts ch. 321, sec. 40. -- Amended 1972 Ky. Acts ch. 116, sec. 6. -- Amended 1968 Ky. Acts ch. 25, sec. 2. -- Amended 1964 Ky. Acts ch. 91, sec. 4. -- Created 1958 Ky. Acts ch. 94, sec. 9.

**Legislative Research Commission Note (4/27/2018).** This statute was amended by 2018 Ky. Acts chs. 171 and 207, which do not appear to be in conflict and have been codified together.