

95.530 Board of trustees of pension fund established under KRS 95.520 -- Members -- Officers -- Option to convert pension benefits to annuity benefits -- Adoption of ordinance dissolving pension fund -- Liquidation and distribution of residual assets -- Report.

- (1) In cities with a pension fund established under KRS 95.520 where there are fewer than six (6) active members of the pension fund, except as provided by subsection (3) of this section, the board of trustees of the policemen's and firefighters' pension fund is composed of the mayor, city treasurer or chief financial officer, and one (1) retired member each from the police and fire departments. The retired members from the police and fire departments shall be elected by the respective retired members of those departments annually by ballot, one (1) from each department, and shall serve for one (1) year and until their respective successors are elected and qualified. The board shall select from their number a president and a secretary.
- (2) If there are six (6) or more active members of the fund, there shall be two (2) additional board members added to the members established by subsection (1) of this section who shall be one (1) active member of the fund from each department elected by the active members of the fund from the respective departments and who shall serve for one (1) year and until their respective successors are elected and qualified. If all of the six (6) or more active members or all of the retired members are from one (1) department, then both of the active member board members or both of the retired board members, as the case may be, shall be elected from that department.
- (3) If there are fewer than six (6) active and retired members of the policemen's and the firefighters' pension fund, the board of trustees shall be composed of the mayor, city treasurer or chief financial officer, and two (2) employees appointed by the mayor, one (1) from the city police department and one (1) from the city fire department, who shall serve for one (1) year and until their respective successors are appointed and qualified. If all of the members of the pension fund are from one (1) department, no appointment shall be made from the other department.
- (4) The board of trustees' membership shall be restructured according to the provisions of this section at the time of the next scheduled election of board members after July 15, 2016.
- (5) If there are fewer than twelve (12) active and retired members or beneficiaries of the policemen's and the firefighters' pension fund, the governing body of the fund may elect to offer to individuals entitled to benefits from the fund a one (1) time irrevocable option to convert monthly pension benefits from the fund to monthly annuity benefits from an insurance company for the same amount. An insurance company accepting a benefit transfer shall honor any features and options available under the existing plan. If the governing body of the fund elects to offer the option to convert monthly pension benefits to monthly annuity benefits, it shall provide to individuals entitled to benefits from the fund sufficiently complete and appropriate disclosures to assist in making an informed decision.
- (6) If all liabilities to all individuals entitled to benefits from the policemen's and firefighters' pension fund have been satisfied, the legislative body of the city may by

majority vote of the entire legislative body adopt an ordinance dissolving the fund. If adopted, the fund's board of trustees shall, within sixty (60) days of adoption, proceed with the liquidation of any residual assets of the fund. All residual assets liquidated pursuant to this subsection shall be distributed by the board of trustees to the city'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 board of trustees of the fund shall as its last act file a complete report with the legislative body of the city of the actions taken to dissolve the fund and liquidate residual assets of the fund for retention by the city clerk the same as for other city records.

Effective: July 15, 2020

History: Amended 2020 Ky. Acts ch. 121, sec. 4, effective July 15, 2020. -- Amended 2016 Ky. Acts ch. 31, sec. 9, effective July 15, 2016. -- Amended 2014 Ky. Acts ch. 92, sec. 122, effective January 1, 2015. -- Amended 1990 Ky. Acts ch. 83, sec. 2, effective July 13, 1990. -- Amended 1978 Ky. Acts ch. 164, sec. 24, effective June 17, 1978. -- Amended 1966 Ky. Acts ch. 255, sec. 103. -- Amended 1960 Ky. Acts ch. 40, sec. 1. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 3142b-3, 3351a-3.