

78.852 Benefits not to be reduced or impaired for members who began participating before January 1, 2014 -- Exceptions -- Amendment of benefits and rights -- Employers' funding responsibility -- Authority of board when employer fails to meet funding requirements. (Effective April 1, 2021)

- (1) For members who begin participating in the County Employees Retirement System prior to January 1, 2014, it is hereby declared that in consideration of the contributions by the members and in further consideration of benefits received by the county from the member's employment, KRS 78.510 to 78.852 shall, except as provided in KRS 6.696 effective September 16, 1993, constitute an inviolable contract of the Commonwealth, and the benefits provided therein shall not be subject to reduction or impairment by alteration, amendment, or repeal.
- (2)
 - (a) For members who begin participating in the County Employees Retirement System on or after January 1, 2014, the General Assembly reserves the right to amend, suspend, or reduce the benefits and rights provided under KRS 78.510 to 78.852 if, in its judgment, the welfare of the Commonwealth so demands, except that the amount of benefits the member has accrued at the time of amendment, suspension, or reduction shall not be affected.
 - (b) For purposes of this subsection, the amount of benefits the member has accrued at the time of amendment, suspension, or reduction shall be limited to the accumulated account balance the member has accrued at the time of amendment, suspension, or reduction.
 - (c) The provisions of this subsection shall not be construed to limit the General Assembly's authority to change any other benefit or right specified by KRS 78.510 to 78.852, except the benefits specified by paragraph (b) of this subsection, for members who begin participating in the County Employees Retirement System on or after January 1, 2014.
- (3) The provisions of this section shall not be construed to limit the General Assembly's authority to amend, reduce, or suspend the benefits and rights of members of the County Employees Retirement System as provided by KRS 78.510 to 78.852 that the General Assembly had the authority to amend, reduce, or suspend, prior to July 1, 2013.
- (4) The responsibility for funding the provisions of KRS 78.510 to 78.852 shall be the responsibility of the employers participating in the County Employees Retirement System. For any employer failing to fund the requirements of KRS 78.510 to 78.852, the board shall have the full authority under the law to:
 - (a) Require the employer to involuntarily cease participating and pay all costs for ceasing participation as provided by KRS 78.535; or
 - (b) Suspend benefit payments and refunds or to seek legal action as provided by KRS 78.625 for any employer failing to fund the requirements of KRS 78.510 to 78.852.

Effective: April 1, 2021

History: Amended 2020 Ky. Acts ch. 79, sec. 39, effective April 1, 2021. -- Amended 2018 Ky. Acts ch. 107, sec. 34, effective July 14, 2018. -- Amended 2013 Ky. Acts ch. 120, sec. 80, effective July 1, 2013. -- Amended 1996 Ky. Acts ch. 167, sec. 27,

effective July 15, 1996. -- Amended 1993 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 80, effective September 16, 1993. -- Amended 1976 Ky. Acts ch. 321, sec. 40. -- Created 1972 Ky. Acts ch. 116, sec. 75.

Legislative Research Commission Note (12/13/2018). On December 13, 2018, the Kentucky Supreme Court ruled that the passage of 2018 SB 151 (2018 Ky. Acts ch. 107), did not comply with the three-readings rule of Kentucky Constitution Section 46 and that the legislation is, therefore, constitutionally invalid and declared void. That ruling applies to changes made to this statute in that Act.