

**161.470 Membership -- Forfeiture of service credit -- Termination of membership -- Forfeiture of benefits -- Reinstatement -- Payment of accumulated account balance. (Effective until January 1, 2022)**

- (1) The membership of the retirement system shall consist of all new members, all present teachers, and all persons participating under the retirement system as of June 30, 1986, except as provided in Acts 1938 (1st Ex. Sess.), Ch. 1, paragraph 29. The board of trustees of the Teachers' Retirement System shall be responsible for final determination of membership eligibility and may direct employers to take whatever action that may be necessary to correct any error relating to membership.
- (2) Service credit shall be forfeited upon withdrawal. If a member again enters service it shall be as a new member, except that any teacher who withdraws by claiming his or her deposits may repay the system the amount withdrawn plus interest and reestablish his or her service credit as provided in subsection (3) of this section.
- (3) Effective July 1, 1988, and thereafter, an active contributing member of the retirement system with contributing service equal to one (1) year may regain service credit by depositing in the teachers' savings fund the amount withdrawn with interest at the rate to be set by the board of trustees, and computed from the first of the month of withdrawal and including the month of redeposit. Service credit regained pursuant to this subsection on or after January 1, 2019, shall not be used to determine the date the individual purchasing the service became a member of the Teachers' Retirement System.
- (4) Effective July 1, 1974, any active contributing member with at least two (2) years of contributing service credit who declined membership as provided in Acts 1938 (1st Ex. Sess.), Ch. 1, paragraph 29, may secure service credit for prior service, and for any subsequent service prior to date of membership, by depositing in the teachers' savings fund contributions for each year of subsequent service prior to date of membership, with interest at the rate of eight percent (8%) compounded annually to the date of deposit.
- (5) Membership in the retirement system shall be terminated:
  - (a) By retirement for service;
  - (b) By death;
  - (c) By withdrawal of the member's accumulated account balance;
  - (d) When a member, having less than five (5) years of Kentucky service is absent from service for more than three (3) consecutive years; or
  - (e) For persons whose membership begins on or after August 1, 2000, when a member is convicted, in any state or federal court of competent jurisdiction, of a felony related to his or her employment as provided in subparagraphs 1. and 2. of this paragraph.
    1. Notwithstanding any provision of law to the contrary, a person whose membership begins on or after August 1, 2000, who is convicted, in any state or federal court of competent jurisdiction, of a felony related to his or her employment shall forfeit rights and benefits earned under the retirement system, except for the return of his or her accumulated contributions and interest credited on those

contributions.

2. The payment of retirement benefits ordered forfeited shall be stayed pending any appeal of the conviction. If the conviction is reversed on final judgment, no retirement benefits shall be forfeited.

Except for paragraph (e) of this subsection, upon termination of member accounts under this subsection, funds in the account shall be transferred to the guarantee fund. Inactive members may apply for refunds of these funds at any time. The terminated service shall be reinstated, if not withdrawn by the member, in the event that the member returns to active contributing service.

- (6) In case of withdrawal from service prior to eligibility for retirement, the board of trustees shall on request of the member return all of his or her accumulated account balance, including any payments made by the member to the state accumulation fund, but the member shall have no claim on any contributions made by the state or employer with a view to his or her retirement, except as provided by KRS 161.235, or to contributions made to the medical insurance fund. A member who is withdrawing from service prior to retirement eligibility shall be entitled to a refund following sixty (60) days after his or her last day of employment. If the member is eligible for an immediate service retirement allowance as provided in KRS 161.600, no withdrawal and refund shall be permitted, unless the allowance would prohibit the member from qualifying for Social Security benefits or the member elects to withdraw part or all of his or her service for the purpose of obtaining service credit in another retirement plan. Requests for refund of contributions by the member must be filed on forms prescribed by the Teachers' Retirement System and the employer shall be financially responsible for all information that is certified on the prescribed form. A member may not withdraw any part of his or her accumulated account balance in the retirement system except as provided by this subsection.
- (7) Except as provided in KRS 161.520 and 161.525, in case of death prior to retirement, the board of trustees shall pay to the estate of the deceased member, unless a beneficiary was otherwise applicably designated by the deceased member, then to the beneficiary, all of his or her accumulated account balance, including any payments made by the member to the state accumulation fund, but the estate or beneficiary shall have no claim on any contributions made by the state or employer with a view to the retirement of the member, except as provided by KRS 161.235, or to contributions made to the medical insurance fund.
- (8) Any active contributing member of the Kentucky Employees Retirement System, the County Employees Retirement System, the State Police Retirement System, or the Judicial Retirement System may use service, under that retirement system for the purpose of meeting the service requirement of subsections (3) and (4) of this section.

**Effective:** June 29, 2021

**History:** Amended 2021 Ky. Acts ch. 192, sec. 6, effective June 29, 2021. -- Amended 2018 Ky. Acts ch. 107, sec. 49, effective July 14, 2018. -- Amended 2002 Ky. Acts ch. 275, sec. 11, effective July 1, 2002. -- Amended 2000 Ky. Acts ch. 273, sec. 2, effective July 14, 2000. -- Amended 1990 Ky. Acts ch. 442, sec. 4, effective July 1, 1990; and ch. 476, Pt. V, sec. 503, effective July 13, 1990. -- Amended 1988 Ky. Acts ch. 363, sec. 5, effective July 1, 1984. --

Amended 1982 Ky. Acts ch. 326, sec. 6, effective July 1, 1982. -- Amended 1980 Ky. Acts ch. 206, sec. 2, effective July 1, 1980. -- Amended 1978 Ky. Acts ch. 152, sec. 5, effective March 28, 1978. -- Amended 1976 Ky. Acts ch. 351, sec. 5, effective July 1, 1976. -- Amended 1974 Ky. Acts ch. 395, sec. 7. -- Amended 1972 Ky. Acts ch. 82, sec. 9. -- Amended 1968 Ky. Acts ch. 136, sec. 4. -- Amended 1964 Ky. Acts ch. 43, sec. 7. -- Amended 1962 Ky. Acts ch. 64, sec. 5. -- Amended 1960 Ky. Acts ch. 44, sec. 8. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4506b-27.

**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.

**Legislative Research Commission Note** (7/13/90). The Act amending this section prevails over the repeal and reenactment in House Bill 940, Acts Ch. 476, pursuant to Section 653(1) of Acts Ch. 476.