

**161.560 Deduction and forwarding of teachers' contributions -- Reporting requirements -- Picked-up employee contributions -- Correction of omitted member contributions.**

- (1)
  - (a) Each agency, school district, and institution employing members of the retirement system shall deduct from the compensation of each member for each payroll period subsequent to the date the individual became a member, the percentage of his or her compensation due under the rates prescribed in KRS 161.540. No later than fifteen (15) days following each pay date, the employer shall have on deposit with the retirement system all required deductions. The retirement system may charge the employer interest at an annual rate not to exceed eight percent (8%) for deductions not deposited within the specified fifteen (15) days.
  - (b) Each employer employing members of the retirement system shall have on file at the retirement system's office no later than fifteen (15) days following each pay date payroll reports, contributions lists, and other data required by administrative regulation of the board. The retirement system may impose a penalty on the employer not to exceed one thousand dollars (\$1,000) when the employer does not meet the reporting date. However, the retirement system may waive the penalty for good cause.
  - (c) Each employer employing members of the retirement system shall have on file at the retirement system's office an annual summary report of member contributions and periods employed no later than August 1 following the completion of each fiscal year. The retirement system may impose a penalty on the employer not to exceed one thousand dollars (\$1,000) when the employer does not meet the August 1 reporting date. However, the retirement system may waive the penalty for good cause.
  - (d) The deductions described by paragraph (a) of this subsection shall be made notwithstanding the fact that the salary as a result may be less than the minimum compensation provided by law. Every member shall be deemed to consent and agree to the deductions, and the deductions shall be considered as having been paid to the member. After August 1, 1982, member contributions shall be picked up by the agency pursuant to KRS 161.540(2).
- (2) If an employer fails to deduct the correct retirement contribution from a member's compensation, the member may make the contribution that should have been deducted by the employer and receive retirement credit for the payment. For correction of omitted member contributions that occur more than one (1) year after the year in which the error was made, the employer shall be responsible for paying interest to the retirement system at a rate of eight percent (8%) from the end of the year in which the service was performed to the date of payment.

**Effective:** June 29, 2021

**History:** Amended 2021 Ky. Acts ch. 192, sec. 14, effective June 29, 2021. -- Amended 2002 Ky. Acts ch. 275, sec. 23, effective July 1, 2002. -- Amended 1996 Ky. Acts ch. 359, sec. 11, effective July 1, 1996. -- Repealed and reenacted 1990 Ky. Acts ch. 476, Pt. V, sec. 518, effective July 13, 1990. -- Amended 1988 Ky. Acts ch. 363, sec.

13, effective July 1, 1988. -- Amended 1984 Ky. Acts ch. 253, sec. 18, effective July 1, 1984; and ch. 302, sec. 6, effective July 13, 1984. -- Amended 1982 Ky. Acts ch. 166, sec. 13, effective July 15, 1982; and ch. 414, sec. 2, effective July 15, 1982. -- Amended 1964 Ky. Acts ch. 43, sec. 12. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4506b-38.