

161.650 Death of retired member -- Payment to beneficiaries -- Effect of subsequent marriage or divorce -- Failure to designate beneficiary. (Effective until January 1, 2022)

- (1) In the case of death of a member who has retired by reason of service or disability, any portion of the member's accumulated contributions, including member contributions to the state accumulation fund and regular interest to the date of retirement, that has not, and will not be paid as an allowance or benefit shall be paid to the member's beneficiary in such manner as the board of trustees elects.
- (2)
 - (a) The member may designate a primary beneficiary or two (2) or more cobeneficiaries to receive any remaining accumulated member contributions payable under this section.
 - (b) A contingent beneficiary may be designated in addition to the primary beneficiary or the cobeneficiaries. The member may designate two (2) or more contingent beneficiaries.
 - (c) To the extent permitted by the Internal Revenue Code, a trust may be designated as beneficiary for receipt of any remaining funds of the member's accumulated contributions.
 - (d) Members may designate as beneficiaries only presently identifiable and existing individuals, or trusts where otherwise permitted, without contingency instructions, on forms prescribed by the retirement system. Cobeneficiaries shall be composed of a single class of individuals, or trusts where permitted, who will share in equal proportions in any payment that may become available under this section.
 - (e)
 1. Any beneficiary designation made by the member shall remain in effect until changed by the member on forms prescribed by the retirement system, except in the event of subsequent marriage or divorce.
 2. Subsequent marriage by the member shall void the primary beneficiary and any cobeneficiary designation, even that of a trust, and the spouse of the member at death shall be considered as the primary beneficiary, unless the member subsequent to marriage designates another beneficiary. An individual who is married prior to becoming a retired member of the retirement system and remains married at the time of becoming a retired member shall have his or her spouse considered the primary beneficiary, unless the member designates another beneficiary for any amounts payable under subsection (1) of this section.
 3. A final divorce decree shall terminate the beneficiary status of an ex-spouse unless, subsequent to divorce, the member redesignates the former spouse as a beneficiary. A final divorce decree shall not terminate the designation of a trust as beneficiary regardless of who is designated as beneficiary of the trust.
 - (f) In the event that the member fails to designate a beneficiary or all designated beneficiaries predecease the member, any remaining accumulated member contributions shall be payable to the member's

estate, unless the member is married at the time of his or her death, in which case any remaining contributions shall be payable to his or her spouse.

Effective: June 29, 2021

History: Amended 2021 Ky. Acts ch. 192, sec. 22, effective June 29, 2021. -- Amended 2018 Ky. Acts ch. 107, sec. 78, effective July 14, 2018. -- Amended 2008 Ky. Acts ch. 78, sec. 21, effective July 1, 2008. -- Amended 2004 Ky. Acts ch. 121, sec. 22, effective July 1, 2004. -- Repealed and reenacted 1990 Ky. Acts ch. 476, Pt. V, sec. 534, effective July 13, 1990. -- Amended 1976 Ky. Acts ch. 35, sec. 20, effective July 1, 1976. -- Amended 1972 Ky. Acts ch. 82, sec. 22. -- Amended 1962 Ky. Acts ch. 64, sec. 16. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4506b-47.

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.