16.505 Definitions for KRS 16.505 to 16.652. (Effective July 15, 2026)

As used in KRS 16.505 to 16.652, unless the context otherwise requires:

(1) "System" means the State Police Retirement System created by KRS 16.505 to 16.652;

(2) "Board" means the board of trustees of the Kentucky Retirement Systems;

(3) "Employer" or "State Police" means the Department of Kentucky State Police, or its successor;

(4) "Current service" means the number of years and completed months of employment as an employee subsequent to July 1, 1958, for which creditable compensation was paid by the employer and employee contributions deducted except as otherwise provided;

(5) "Prior service" means the number of years and completed months of employment as an employee prior to July 1, 1958, for which creditable compensation was paid to the employee by the Commonwealth. Twelve (12) months of current service in the system are required to validate prior service;

(6) "Service" means the total of current service and prior service;

(7) "Accumulated contributions" at any time means the sum of all amounts deducted from the compensation of a member and credited to his or her individual account in the member's account, including employee contributions picked up after August 1, 1982, pursuant to KRS 16.545(4), together with interest credited on such amounts as provided in KRS 16.505 to 16.652, and any other amounts the member shall have contributed, including interest credited. For members who begin participating on or after September 1, 2008, "accumulated contributions" shall not include employee contributions that are deposited into accounts established pursuant to 26 U.S.C. sec. 401(h) within the funds established in KRS 16.510 and 61.515, as prescribed by KRS 61.702(3)(b);

(8) "Creditable compensation":

(a) Except as provided by paragraph (b) or (c) of this subsection, means all salary and wages, including payments for compensatory time, paid to the employee as a result of services performed for the employer or for time during which the member is on paid leave, which are includable on the member's federal form W-2 wage and tax statement under the heading "wages, tips, other compensation," including employee contributions picked up after August 1, 1982, pursuant to KRS 16.545(4);

(b) Includes:

1. Lump-sum bonuses, severance pay, or employer-provided payments for purchase of service credit, which shall be averaged over the employee's total service with the system in which it is recorded if it is equal to or greater than one thousand dollars ($1,000);

2. Lump-sum payments for creditable compensation paid as a result of an order of a court of competent jurisdiction, the Personnel Board, or the Kentucky Commission on Human Rights, or for any creditable compensation paid in anticipation of settlement of an action before a

court of competent jurisdiction, the Personnel Board, or the Kentucky Commission on Human Rights, including notices of violations of state or federal wage and hour statutes or violations of state or federal discrimination statutes, which shall be credited to the fiscal year during which the wages were earned or should have been paid by the employer. This subparagraph shall also include lump-sum payments for reinstated wages pursuant to KRS 61.569, which shall be credited to the period during which the wages were earned or should have been paid by the employer;

3. Amounts which are not includable in the member's gross income by virtue of the member having taken a voluntary salary reduction provided for under applicable provisions of the Internal Revenue Code; and

4. Elective amounts for qualified transportation fringes paid or made available on or after January 1, 2001, for calendar years on or after January 1, 2001, that are not includable in the gross income of the employee by reason of 26 U.S.C. sec. 132(f)(4); and

(c) Excludes:

1. Living allowances, expense reimbursements, lump-sum payments for accrued vacation leave, and other items determined by the board;

2. For employees who begin participating on or after September 1, 2008, lump-sum payments for compensatory time; and

3. Any salary or wages paid to an employee for services as a Kentucky State Police school resource officer as defined by KRS 158.441;

(9) "Final compensation" means:

(a) For a member who begins participating before September 1, 2008, the creditable compensation of a member during the three (3) fiscal years he or she was paid at the highest average monthly rate divided by the number of months of service credit during the three (3) year period, multiplied by twelve (12); the three (3) years may be fractional and need not be consecutive. If the number of months of service credit during the three (3) year period is less than twenty-four (24), one (1) or more additional fiscal years shall be used; or

(b) For a member who begins participating on or after September 1, 2008, but prior to January 1, 2014, the creditable compensation of the member during the three (3) complete fiscal years he or she was paid at the highest average monthly rate divided by three (3). Each fiscal year used to determine final compensation must contain twelve (12) months of service credit. If the member does not have three (3) complete fiscal years that each contain twelve (12) months of service credit, then one (1) or more additional fiscal years, which may contain less than twelve (12) months of service credit, shall be added until the number of months in the final compensation calculation is at least thirty-six (36) months;

(10) "Final rate of pay" means the actual rate upon which earnings of a member were calculated during the twelve (12) month period immediately preceding the member's effective retirement date, including employee contributions picked up

after August 1, 1982, pursuant to KRS 16.545(4). The rate shall be certified to the system by the employer and the following equivalents shall be used to convert the rate to an annual rate: two thousand eighty (2,080) hours for eight (8) hour workdays, one thousand nine hundred fifty (1,950) hours for seven and one-half (7-1/2) hour workdays, two hundred sixty (260) days, fifty-two (52) weeks, twelve (12) months, or one (1) year;

(11) "Retired member" means any former member receiving a retirement allowance or any former member who has filed the necessary documents for retirement benefits and is no longer contributing to the retirement system;

(12) "Retirement allowance" means the retirement payments to which a retired member is entitled;

(13) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of actuarial tables adopted by the board. In cases of disability retirement, the options authorized by KRS 61.635 shall be computed by adding ten (10) years to the age of the member, unless the member has chosen the Social Security adjustment option as provided for in KRS 61.635(8), in which case the member's actual age shall be used. For members who began participating in the system prior to January 1, 2014, no disability retirement option shall be less than the same option computed under early retirement;

(14) "Authorized leave of absence" means any time during which a person is absent from employment but retained in the status of an employee in accordance with the personnel policy of the Department of Kentucky State Police;

(15) "Normal retirement date" means:

(a) For a member who begins participating before September 1, 2008, the first day of the month following a member's fifty-fifth birthday, except that for members over age fifty-five (55) on July 1, 1958, it shall mean January 1, 1959; or

(b) For a member who begins participating on or after September 1, 2008, the first day of the month following a member's sixtieth birthday;

(16) "Disability retirement date" means the first day of the month following the last day of paid employment;

(17) "Dependent child" means a child in the womb and a natural or legally adopted child of the member who has neither attained age eighteen (18) nor married or who is an unmarried full-time student who has not attained age twenty-two (22). Solely in the cases where a member dies as a direct result of an act in line of duty as defined in this section, dies as a result of a duty-related injury as defined in KRS 61.621, becomes totally and permanently disabled as a direct result of an act in line of duty as defined in this section, or becomes disabled as a result of a duty-related injury as defined in KRS 61.621 and is eligible for the benefits provided by KRS 61.621(5)(a), "dependent child" also means a naturally or legally adopted disabled child of the member, regardless of the child's age, if the child has been determined to be eligible for federal Social Security disability benefits or is being claimed as a qualifying child for tax purposes due to the child's total and permanent disability;

(18) "Optional allowance" means an actuarially equivalent benefit elected by the

member in lieu of all other benefits provided by KRS 16.505 to 16.652;

(19) "Act in line of duty" means:

(a) A single act occurring or a single thing done, which, as determined by the board, was required in the performance of the duties specified in KRS 16.060;

(b) For employees in hazardous positions under KRS 61.592, a single act occurring which was required in the performance of the principal duties of the position as defined by the job description; or

(c) For employees participating in the State Police Retirement System and for employees who are in hazardous positions under KRS 61.592, a single act of violence committed against the employee that is found to be related to his or her job duties, whether or not it occurs at his or her job site;

(20) "Early retirement date" means:

(a) For a member who begins participating before September 1, 2008, the retirement date declared by a member who is not less than fifty (50) years of age and has fifteen (15) years of service; or

(b) For a member who begins participating on or after September 1, 2008, but prior to January 1, 2014, the retirement date declared by a member who is not less than fifty (50) years of age and has fifteen (15) years of service credited under KRS 16.543(1) or 61.543(1) or another state-administered retirement system;

(21) "Member" means any officer included in the membership of the system as provided under KRS 16.520 whose membership has not been terminated under KRS 61.535;

(22) "Regular full-time officers" means the occupants of positions as set forth in KRS 16.010;

(23) "Hazardous disability" as used in KRS 16.505 to 16.652 means a disability which results in an employee's total incapacity to continue as an employee in a hazardous position, but the employee is not necessarily deemed to be totally and permanently disabled to engage in other occupations for remuneration or profit;

(24) "Current rate of pay" means the member's actual hourly, daily, weekly, biweekly, monthly, or yearly rate of pay converted to an annual rate as defined in final rate of pay. The rate shall be certified by the employer;

(25) "Beneficiary" means the person, persons, estate, trust, special needs trust, or trustee designated by the member in accordance with KRS 61.542 or 61.705 to receive any available benefits in the event of the member's death. As used in KRS 61.702, "beneficiary" does not mean an estate, trust, or trustee;

(26) "Recipient" means the retired member, the person or persons designated as beneficiary by the member and drawing a retirement allowance as a result of the member's death, or a dependent child drawing a retirement allowance. An alternate payee of a qualified domestic relations order shall not be considered a recipient, except for purposes of KRS 61.623;

(27) "Person" means a natural person;

(28) "Retirement office" means the Kentucky Public Pensions Authority office building in Frankfort, unless otherwise designated by the Kentucky Public Pensions

Authority;

(29) "Vested" for purposes of determining eligibility for purchasing service credit under KRS 61.552 means the employee has at least forty-eight (48) months of service if age sixty-five (65) or older or at least sixty (60) months of service if under the age of sixty-five (65). For purposes of this subsection, "service" means service in the systems administered by the Kentucky Retirement Systems and County Employees Retirement Systems;

(30) "Last day of paid employment" means the last date employer and employee contributions are required to be reported in accordance with KRS 16.543 or 61.543 to the retirement office in order for the employee to receive current service credit for the month. Last day of paid employment does not mean a date the employee receives payment for accrued leave, whether by lump sum or otherwise, if that date occurs twenty-four (24) or more months after previous contributions;

(31) "Objective medical evidence" means reports of examinations or treatments; medical signs which are anatomical, physiological, or psychological abnormalities that can be observed; psychiatric signs which are medically demonstrable phenomena indicating specific abnormalities of behavior, affect, thought, memory, orientation, or contact with reality; or laboratory findings which are anatomical, physiological, or psychological phenomena that can be shown by medically acceptable laboratory diagnostic techniques, including but not limited to chemical tests, electrocardiograms, electroencephalograms, X-rays, and psychological tests;

(32) "Fiscal year" of the system means the twelve (12) months from July 1 through the following June 30, which shall also be the plan year. The "fiscal year" shall be the limitation year used to determine contribution and benefit limits established by 26 U.S.C. sec. 415;

(33) "Participating" means an employee is currently earning service credit in the system as provided in KRS 16.543;

(34) "Month" means a calendar month;

(35) "Membership date" means the date upon which the member began participating in the system as provided by KRS 16.543;

(36) "Participant" means a member, as defined by subsection (21) of this section, or a retired member, as defined by subsection (11) of this section;

(37) "Qualified domestic relations order" means any judgment, decree, or order, including approval of a property settlement agreement, that:

(a) Is issued by a court or administrative agency; and

(b) Relates to the provision of child support, alimony payments, or marital property rights to an alternate payee;

(38) "Alternate payee" means a spouse, former spouse, child, or other dependent of a participant, who is designated to be paid retirement benefits in a qualified domestic relations order;

(39) "Accumulated employer credit" means the employer pay credit deposited to the member's account and interest credited on such amounts as provided by KRS 16.583;

(40) "Accumulated account balance" means:

(a) For members who began participating in the system prior to January 1, 2014, the member's accumulated contributions; or

(b) For members who began participating in the system on or after January 1, 2014, in the hybrid cash balance plan as provided by KRS 16.583, the combined sum of the member's accumulated contributions and the member's accumulated employer pay credit;

(41) "Monthly average pay" means:

(a) In the case of a member who dies as a direct result of an act in line of duty as defined in this section or who dies as a result of a duty-related injury as defined in KRS 61.621, the higher of the member's monthly final rate of pay or the average monthly creditable compensation earned by the deceased member during his or her last twelve (12) months of employment; or

(b) In the case where a member becomes totally and permanently disabled as a direct result of an act in line of duty as defined in this section or becomes disabled as a result of a duty-related injury as defined in KRS 61.621 and is eligible for the benefits provided by KRS 61.621(5)(a), the higher of the member's monthly final rate of pay or the average monthly creditable compensation earned by the disabled member during his or her last twelve (12) months of employment prior to the date the act in line of duty or duty-related injury occurred; and

(42) "Special needs trust" means a trust described in 42 U.S.C. sec. 1396p(d)(4)(A) or (C) for the benefit of one (1) person. Any reference to a trust includes a special needs trust, unless the context otherwise requires.

Effective: July 15, 2026

History: Amended 2026 Ky. Acts ch. 18, sec. 1, effective July 15, 2026. -- Amended 2024 Ky. Acts ch. 55, sec. 2, effective July 15, 2024. -- Amended 2021 Ky. Acts ch. 102, sec. 31, effective April 1, 2021; and ch. 106, sec. 1, effective June 29, 2021. -- Amended 2019 Ky. Acts ch. 197, sec. 3, effective April 9, 2019. -- Amended 2018 Ky. Acts ch. 107, sec. 13, effective July 14, 2018; and ch. 151, sec. 1, effective April 13, 2018. -- Amended 2017 Ky. Acts ch. 32, sec. 1, effective June 29, 2017; and ch. 126, sec. 1, effective June 29, 2017. -- Amended 2013 Ky. Acts ch. 120, sec. 34, effective July 1, 2013. -- Amended 2010 Ky. Acts ch. 148, sec. 2, effective July 15, 2010. -- Amended 2009 Ky. Acts ch. 77, sec. 1, effective June 25, 2009. -- Amended 2008 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 6, effective June 27, 2008. -- Amended 2007 Ky. Acts ch. 85, sec. 72, effective June 26, 2007. -- Amended 2004 Ky. Acts ch. 36, sec. 1, effective July 13, 2004. -- Amended 2003 Ky. Acts ch. 169, sec. 1, effective March 31, 2003. -- Amended 2002 Ky. Acts ch. 52, sec. 1, effective July 15, 2002. -- Amended 2000 Ky. Acts ch. 210, sec. 1, effective July 14, 2000; and ch. 385, sec. 1, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 105, sec. 1, effective July 15, 1998; and ch. 300, sec. 3, effective July 15, 1998. -- Amended 1996 Ky. Acts ch. 167, sec. 1, effective July 15, 1996. -- Amended 1994 Ky. Acts ch. 485, sec. 1, effective July 15, 1994. – Amended 1992 Ky. Acts ch. 240, sec. 1, effective July 14, 1992. -- Amended 1988 Ky. Acts ch. 349, sec. 1, effective July 15, 1988. -- Amended 1986 Ky. Acts ch. 90, sec. 1, effective July 15, 1986; and ch. 331, sec. 10, effective July 15, 1986. -- Amended 1984 Ky. Acts ch. 95, sec. 1, effective July 13, 1984. -- Amended 1982 Ky. Acts ch. 166, sec. 24, effective July 15, 1982; and ch. 423, sec. 1, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 186, sec.

1, effective July 15, 1980. -- Amended 1978 Ky. Acts ch. 311, sec. 1, effective June 17, 1978; and ch. 384, sec. 535, effective June 17, 1978. -- Amended 1976 Ky. Acts ch. 321, secs. 1 and 40. -- Amended 1974 Ky. Acts ch. 74, Art. V, sec. 24(3); and ch. 128, sec. 1. -- Amended 1972 Ky. Acts ch. 116, sec. 1. -- Amended 1970 Ky. Acts ch. 76, sec. 1. -- Amended 1968 Ky. Acts ch. 25, sec. 1. -- Amended 1966 Ky. Acts ch. 33, sec. 1. -- Amended 1964 Ky. Acts ch. 91, sec. 1. -- Created 1958 Ky. Acts ch. 94, sec. 1.

Legislative Research Commission Note (6/29/2021). See 2021 Ky. Acts ch. 106, secs. 10, 11, 12, and 13 for information regarding the application of the amendments to this statute made in that Act.

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.