

1 AN ACT relating to retirement.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 161.525 is amended to read as follows:

- 4 (1) Upon death of a member in active contributing status at the time of death, who was
5 eligible to retire by reason of service, the spouse, if named as the primary beneficiary
6 of the member's retirement account, or in the absence of an eligible spouse a legal
7 dependent of the member, if named as the primary beneficiary, shall be entitled to
8 elect, in lieu of a refund of the member's account or benefits provided in KRS
9 161.520, an annuity actuarially equivalent at the attained age of the beneficiary to the
10 annuity that would have been paid to the deceased member had retirement been
11 effective on the day immediately preceding the member's death. Under the provisions
12 of KRS 61.680, benefits shall be processed as if the member retired for service. In
13 exercising this right the spouse or legal dependent shall be limited to selecting an
14 option providing either a straight life annuity with refundable balance or a term
15 certain option. A spouse may receive the annuity provided by this section at the
16 same time as children are qualifying for survivors' benefits under the provisions of
17 KRS 161.520; however, a legal dependent, other than a spouse, may not receive
18 these payments if children have qualified for benefits under that section.
- 19 (2) A spouse qualifying for an annuity under subsection (1) of this section may defer the
20 payments in order to reduce the actuarial discounts to be applied due to age.
- 21 (3) Upon death of a member in active contributing status at the time of his ***or her*** death,
22 who had a minimum of twenty-seven (27) years of service, the spouse, if named as
23 the primary beneficiary of the member's account shall be entitled to a monthly
24 minimum allowance of three hundred dollars (\$300) as the basic straight life annuity.
25 This provision applies to surviving spouses of members who were receiving benefit
26 payments under KRS 161.520 as of June 30, 1986, and to surviving spouses of
27 members who die on or after July 1, 1986.