

1 AN ACT relating to schools.

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

3 ➔Section 1. KRS 158.441 is amended to read as follows:

4 As used in this chapter, unless the context requires otherwise:

5 (1) "Intervention services" means any preventive, developmental, corrective, supportive
6 services or treatment provided to a student who is at risk of school failure, is at risk
7 of participation in violent behavior or juvenile crime, or has been expelled from the
8 school district. Services may include, but are not limited to, screening to identify
9 students at risk for emotional disabilities and antisocial behavior; direct instruction
10 in academic, social, problem solving, and conflict resolution skills; alternative
11 educational programs; psychological services; identification and assessment of
12 abilities; counseling services; medical services; day treatment; family services;
13 work and community service programs;

14 (2) **"Kentucky State Police school resource officer" or "KSPSRO" means a**
15 **Kentucky State Police officer, CVE R Class, or Trooper R Class, as defined in**
16 **KRS 16.010, who is employed by a school district as a school resource officer, as**
17 **defined in this section, through a contract as secondary employment for the**
18 **officer;**

19 (3) **"School activities" means official school functions held on school property,**
20 **including student attendance days as defined in KRS 158.070, athletic events, and**
21 **graduation;**

22 (4) **"School property" means any public school building, public school vehicle,**
23 **public school campus, grounds, recreational area, or athletic field in the charge**
24 **of the school district;**

25 (5) "School resource officer" means a sworn law enforcement officer who has
26 specialized training to work with youth at a school site. The school resource officer
27 shall be employed:

- 1 (a) Through a contract between a local law enforcement agency and a school
 2 district; or
- 3 (b) Through a contract as secondary employment for an officer, as defined in KRS
 4 16.010, between the Department of Kentucky State Police and a school
 5 district; and

6 ~~(6)~~~~(3)~~ "School security officer" means a person employed by a local board of
 7 education who has been appointed a special law enforcement officer pursuant to
 8 KRS 61.902 and who has specialized training to work with youth at a school site.

9 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO
 10 READ AS FOLLOWS:

11 **(1) A KSPSRO shall possess sworn law enforcement authority and shall be trained in**
 12 **school-based policing and crisis response including all training required of**
 13 **school resource officers. If a school district decides to utilize a KSPSRO, the**
 14 **school district and the officer shall first enter into a memorandum of**
 15 **understanding that clarifies the purpose of the KSPSRO program and the roles**
 16 **and expectations of the participating entities. Any contract entered into pursuant**
 17 **to this subsection shall include:**

18 **(a) A provision specifying that the KSPSRO shall follow the policies and**
 19 **procedures of the Department of Kentucky State Police and shall abide by**
 20 **federal, state, and local laws. The responsibility and decision to arrest or**
 21 **take other police action lies solely with the KSPSRO, respective to state law**
 22 **and the KSPSRO's departmental standard operating procedures or standing**
 23 **order. The KSPSRO's continual collaboration with school personnel and**
 24 **his or her understanding of each student's needs may impact the decision to**
 25 **arrest or take other police action, but the responsibility is that of the**
 26 **KSPSRO;**

27 **(b) A provision stipulating that the KSPSRO shall be an employee of the school**

1 district, but shall revert to Department of Kentucky State Police employee
2 status during such time that the KSPSRO takes police action pursuant to
3 state or federal law. The KSPSRO shall be under the immediate supervision
4 and direction of the Department of Kentucky State Police when taking
5 police action;

6 (c) A provision stipulating that the school district shall be responsible for
7 worker's compensation coverage for the KSPSRO; and

8 (d) A provision detailing how liability coverage will be provided for any acts or
9 omissions of the KSPSRO within the scope of his or her duties.

10 (2) (a) A KSPSRO shall promote the safety and security of students and school
11 personnel during school activities and on school property.

12 (b) A KSPSRO may assist with supportive activities and programs, including
13 but not limited to:

14 1. Planning and implementing procedures that train and drill all school
15 personnel to respond to crisis events, control access to the school
16 property during the school day, and close or partially close the school
17 property after students arrive;

18 2. Identifying risk and protective factors of students; and

19 3. Coordinating nurturing intervention and prevention efforts.

20 (c) A KSPSRO shall not address school discipline issues that do not constitute
21 crimes or that do not impact the immediate health or safety of the students
22 or school personnel.

23 (d) A KSPSRO shall not administer formal school discipline such as
24 detentions, suspensions, or expulsions. These decisions are the sole
25 responsibility of school personnel.

26 (3) Notwithstanding KRS Chapter 11A, the KSPSRO shall wear the uniform and
27 utilize the vehicles, firearms, ammunition, and equipment issued to him or her by

1 the Department of Kentucky State Police or other agency-authorized clothing or
 2 equipment. In the event additional weapons or gear is utilized than that which is
 3 carried on his or her person, the storage of these items shall be defined by the
 4 Department of Kentucky State Police. If a vehicle or equipment is damaged
 5 during the scope of a KSPSRO's secondary employment with the school district,
 6 but not while the KSPSRO is engaged in police action, the school district is
 7 responsible for restitution to the Department of Kentucky State Police.

8 (4) Notwithstanding subsection (2) of this section, a KSPSRO shall be deemed an
 9 employee of the Department of Kentucky State Police for all purposes whenever
 10 engaged in any police action, including arrests, searches and seizures, uses of
 11 force, issuing citations, serving warrants, pursuing suspects, or investigating
 12 criminal offenses or vehicle accidents.

13 (5) Nothing in this section shall be construed to require the Department of Kentucky
 14 State Police to assign or provide funding for KSPSROs.

15 (6) Nothing in this section shall be deemed to waive or otherwise limit the rights,
 16 privileges, immunities, and matters of defense, now available or hereafter made
 17 available, to school districts, the Department of Kentucky State Police, any local
 18 law enforcement agency, any KSPSRO, or any school resource officer in any suit
 19 brought against them in consequence of acts or omissions.

20 ➔Section 3. KRS 16.505 is amended to read as follows:

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

22 (1) "System" means the State Police Retirement System created by KRS 16.505 to
 23 16.652;

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

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

27 (4) "Current service" means the number of years and completed months of employment

1 as an employee subsequent to July 1, 1958, for which creditable compensation was
2 paid by the employer and employee contributions deducted except as otherwise
3 provided;

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

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

9 (7) "Accumulated contributions" at any time means the sum of all amounts deducted
10 from the compensation of a member and credited to his individual account in the
11 member's account, including employee contributions picked up after August 1,
12 1982, pursuant to KRS 16.545(4), together with interest credited on such amounts
13 as provided in KRS 16.505 to 16.652, and any other amounts the member shall have
14 contributed, including interest credited. For members who begin participating on or
15 after September 1, 2008, "accumulated contributions" shall not include employee
16 contributions that are deposited into accounts established pursuant to 26 U.S.C. sec.
17 401(h) within the funds established in KRS 16.510, 61.515, and 78.520, as
18 prescribed by KRS 61.702(2)(b);

19 (8) "Creditable compensation":

20 (a) Except as provided by paragraph (b) or (c) of this subsection, means all salary
21 and wages, including payments for compensatory time, paid to the employee
22 as a result of services performed for the employer or for time during which the
23 member is on paid leave, which are includable on the member's federal form
24 W-2 wage and tax statement under the heading "wages, tips, other
25 compensation," including employee contributions picked up after August 1,
26 1982, pursuant to KRS 16.545(4);

27 (b) Includes:

- 1 1. Lump-sum bonuses, severance pay, or employer-provided payments for
2 purchase of service credit, which shall be averaged over the employee's
3 total service with the system in which it is recorded if it is equal to or
4 greater than one thousand dollars (\$1,000);
- 5 2. Lump-sum payments for creditable compensation paid as a result of an
6 order of a court of competent jurisdiction, the Personnel Board, or the
7 Commission on Human Rights, or for any creditable compensation paid
8 in anticipation of settlement of an action before a court of competent
9 jurisdiction, the Personnel Board, or the Commission on Human Rights,
10 including notices of violations of state or federal wage and hour statutes
11 or violations of state or federal discrimination statutes, which shall be
12 credited to the fiscal year during which the wages were earned or should
13 have been paid by the employer. This subparagraph shall also include
14 lump-sum payments for reinstated wages pursuant to KRS 61.569,
15 which shall be credited to the period during which the wages were
16 earned or should have been paid by the employer;
- 17 3. Amounts which are not includable in the member's gross income by
18 virtue of the member having taken a voluntary salary reduction provided
19 for under applicable provisions of the Internal Revenue Code; and
- 20 4. Elective amounts for qualified transportation fringes paid or made
21 available on or after January 1, 2001, for calendar years on or after
22 January 1, 2001, that are not includable in the gross income of the
23 employee by reason of 26 U.S.C. sec. 132(f)(4); and
- 24 (c) Excludes:
 - 25 1. Uniform, equipment, or any other expense allowances paid on or after
26 January 1, 2019, living allowances, expense reimbursements, lump-sum
27 payments for accrued vacation leave, and other items determined by the

- 1 board; and
- 2 2. For employees who begin participating on or after September 1, 2008,
- 3 lump-sum payments for compensatory time; and
- 4 3. Any salary or wages paid to an employee for services as a Kentucky
- 5 State Police school resource officer as defined by Section 1 of this Act;

- 6 (9) "Final compensation" means:
- 7 (a) For a member who begins participating prior to September 1, 2008, who
- 8 retires prior to January 1, 2019, the creditable compensation of a member
- 9 during the three (3) fiscal years he was paid at the highest average monthly
- 10 rate divided by the number of months of service credit during the three (3)
- 11 year period, multiplied by twelve (12); the three (3) years may be fractional
- 12 and need not be consecutive. If the number of months of service credit during
- 13 the three (3) year period is less than twenty-four (24), one (1) or more
- 14 additional fiscal years shall be used; or
- 15 (b) For a member who begins participating on or after September 1, 2008, but
- 16 prior to January 1, 2014, or for a member who begins participating prior to
- 17 September 1, 2008, who retires on or after January 1, 2019, the creditable
- 18 compensation of the member during the three (3) complete fiscal years he or
- 19 she was paid at the highest average monthly rate divided by three (3). Each
- 20 fiscal year used to determine final compensation must contain twelve (12)
- 21 months of service credit. If the member does not have three (3) complete
- 22 fiscal years that each contain twelve (12) months of service credit, then one
- 23 (1) or more additional fiscal years, which may contain less than twelve (12)
- 24 months of service credit, shall be added until the number of months in the
- 25 final compensation calculation is at least thirty-six (36) months;
- 26 (10) "Final rate of pay" means the actual rate upon which earnings of a member were
- 27 calculated during the twelve (12) month period immediately preceding the

1 member's effective retirement date, including employee contributions picked up
2 after August 1, 1982, pursuant to KRS 16.545(4). The rate shall be certified to the
3 system by the employer and the following equivalents shall be used to convert the
4 rate to an annual rate: two thousand eighty (2,080) hours for eight (8) hour
5 workdays, one thousand nine hundred fifty (1,950) hours for seven and one-half (7-
6 1/2) hour workdays, two hundred sixty (260) days, fifty-two (52) weeks, twelve (12)
7 months, or one (1) year;

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

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

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

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

24 (15) "Normal retirement date" means:

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

1 1959; or

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

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

6 (17) "Dependent child" means a child in the womb and a natural or legally adopted child
7 of the member who has neither attained age eighteen (18) nor married or who is an
8 unmarried full-time student who has not attained age twenty-two (22) . Solely in the
9 case of a member who dies as a direct result of an act in line of duty as defined in
10 this section or who dies as a result of a duty-related injury as defined in KRS
11 61.621, "dependent child" also means a naturally or legally adopted disabled child
12 of the member, regardless of the child's age, if the child has been determined to be
13 eligible for federal Social Security disability benefits or is being claimed as a
14 qualifying child for tax purposes due to the child's total and permanent disability;

15 (18) "Optional allowance" means an actuarially equivalent benefit elected by the member
16 in lieu of all other benefits provided by KRS 16.505 to 16.652;

17 (19) "Act in line of duty" means an act occurring or a thing done, which, as determined
18 by the board, was required in the performance of the duties specified in KRS
19 16.060. For employees in hazardous positions under KRS 61.592, an "act in line of
20 duty" shall mean an act occurring which was required in the performance of the
21 principal duties of the position as defined by the job description;

22 (20) "Early retirement date" means:

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

26 (b) For a member who begins participating on or after September 1, 2008, but
27 prior to January 1, 2014, the retirement date declared by a member who is not

- 1 less than fifty (50) years of age and has fifteen (15) years of service credited
2 under KRS 16.543(1), 61.543(1), or 78.615(1) or another state-administered
3 retirement system;
- 4 (21) "Member" means any officer included in the membership of the system as provided
5 under KRS 16.520 whose membership has not been terminated under KRS 61.535;
- 6 (22) "Regular full-time officers" means the occupants of positions as set forth in KRS
7 16.010;
- 8 (23) "Hazardous disability" as used in KRS 16.505 to 16.652 means a disability which
9 results in an employee's total incapacity to continue as an employee in a hazardous
10 position, but the employee is not necessarily deemed to be totally and permanently
11 disabled to engage in other occupations for remuneration or profit;
- 12 (24) "Current rate of pay" means the member's actual hourly, daily, weekly, biweekly,
13 monthly, or yearly rate of pay converted to an annual rate as defined in final rate of
14 pay. The rate shall be certified by the employer;
- 15 (25) "Beneficiary" means the person, persons, estate, trust, or trustee designated by the
16 member in accordance with KRS 61.542 or 61.705 to receive any available benefits
17 in the event of the member's death. As used in KRS 61.702, "beneficiary" does not
18 mean an estate, trust, or trustee;
- 19 (26) "Recipient" means the retired member, the person or persons designated as
20 beneficiary by the member and drawing a retirement allowance as a result of the
21 member's death, or a dependent child drawing a retirement allowance. An alternate
22 payee of a qualified domestic relations order shall not be considered a recipient,
23 except for purposes of KRS 61.623;
- 24 (27) "Person" means a natural person;
- 25 (28) "Retirement office" means the Kentucky Retirement Systems office building in
26 Frankfort;
- 27 (29) "Delayed contribution payment" means an amount paid by an employee for

1 purchase of current service. The amount shall be determined using the same formula
2 in KRS 61.5525, and the payment shall not be picked up by the employer. A
3 delayed contribution payment shall be deposited to the member's account and
4 considered as accumulated contributions of the individual member;

5 (30) "Last day of paid employment" means the last date employer and employee
6 contributions are required to be reported in accordance with KRS 16.543, 61.543, or
7 78.615 to the retirement office in order for the employee to receive current service
8 credit for the month. Last day of paid employment does not mean a date the
9 employee receives payment for accrued leave, whether by lump sum or otherwise, if
10 that date occurs twenty-four (24) or more months after previous contributions;

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

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

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

25 (34) "Month" means a calendar month;

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

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

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

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

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

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

11 (39) "Accumulated employer credit" means the employer pay credit deposited to the
12 member's account and interest credited on such amounts as provided by KRS
13 16.583; and

14 (40) "Accumulated account balance" means:

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

17 (b) For members who began participating in the system on or after January 1,
18 2014, in the hybrid cash balance plan as provided by KRS 16.583, the
19 combined sum of the member's accumulated contributions and the member's
20 accumulated employer pay credit; and

21 (41) "Monthly average pay" means the higher of the member's monthly final rate of
22 pay or the average monthly creditable compensation earned by the deceased
23 member during his or her last twelve (12) months of employment.

24 ➔Section 4. KRS 61.510 is amended to read as follows:

25 As used in KRS 61.510 to 61.705, unless the context otherwise requires:

26 (1) "System" means the Kentucky Employees Retirement System created by KRS
27 61.510 to 61.705;

- 1 (2) "Board" means the board of trustees of the system as provided in KRS 61.645;
- 2 (3) "Department" means any state department or board or agency participating in the
3 system in accordance with appropriate executive order, as provided in KRS 61.520.
4 For purposes of KRS 61.510 to 61.705, the members, officers, and employees of the
5 General Assembly and any other body, entity, or instrumentality designated by
6 executive order by the Governor, shall be deemed to be a department,
7 notwithstanding whether said body, entity, or instrumentality is an integral part of
8 state government;
- 9 (4) "Examiner" means the medical examiners as provided in KRS 61.665;
- 10 (5) "Employee" means the members, officers, and employees of the General Assembly
11 and every regular full-time, appointed or elective officer or employee of a
12 participating department, including the Department of Military Affairs. The term
13 does not include persons engaged as independent contractors, seasonal, emergency,
14 temporary, interim, and part-time workers. In case of any doubt, the board shall
15 determine if a person is an employee within the meaning of KRS 61.510 to 61.705;
- 16 (6) "Employer" means a department or any authority of a department having the power
17 to appoint or select an employee in the department, including the Senate and the
18 House of Representatives, or any other entity, the employees of which are eligible
19 for membership in the system pursuant to KRS 61.525;
- 20 (7) "State" means the Commonwealth of Kentucky;
- 21 (8) "Member" means any employee who is included in the membership of the system or
22 any former employee whose membership has not been terminated under KRS
23 61.535;
- 24 (9) "Service" means the total of current service and prior service as defined in this
25 section;
- 26 (10) "Current service" means the number of years and months of employment as an
27 employee, on and after July 1, 1956, except that for members, officers, and

1 employees of the General Assembly this date shall be January 1, 1960, for which
2 creditable compensation is paid and employee contributions deducted, except as
3 otherwise provided, and each member, officer, and employee of the General
4 Assembly shall be credited with a month of current service for each month he
5 serves in the position;

6 (11) "Prior service" means the number of years and completed months, expressed as a
7 fraction of a year, of employment as an employee, prior to July 1, 1956, for which
8 creditable compensation was paid; except that for members, officers, and employees
9 of the General Assembly, this date shall be January 1, 1960. An employee shall be
10 credited with one (1) month of prior service only in those months he received
11 compensation for at least one hundred (100) hours of work; provided, however, that
12 each member, officer, and employee of the General Assembly shall be credited with
13 a month of prior service for each month he served in the position prior to January 1,
14 1960. Twelve (12) months of current service in the system are required to validate
15 prior service;

16 (12) "Accumulated contributions" at any time means the sum of all amounts deducted
17 from the compensation of a member and credited to his individual account in the
18 members' account, including employee contributions picked up after August 1,
19 1982, pursuant to KRS 61.560(4), together with interest credited, or investment
20 returns earned as provided by KRS 61.5956, on such amounts and any other
21 amounts the member shall have contributed thereto, including interest credited
22 thereon or investment returns earned as provided by KRS 61.5956. "Accumulated
23 contributions" shall not include employee contributions that are deposited into
24 accounts established pursuant to 26 U.S.C. sec. 401(h) within the funds established
25 in KRS 16.510, 61.515, and 78.520, as prescribed by KRS 61.702(2)(b);

26 (13) "Creditable compensation":

27 (a) Except as provided by paragraph (b) or (c) of this subsection, means all salary,

1 wages, tips to the extent the tips are reported for income tax purposes, and
2 fees, including payments for compensatory time, paid to the employee as a
3 result of services performed for the employer or for time during which the
4 member is on paid leave, which are includable on the member's federal form
5 W-2 wage and tax statement under the heading "wages, tips, other
6 compensation," including employee contributions picked up after August 1,
7 1982, pursuant to KRS 61.560(4). For members of the General Assembly, it
8 shall mean all amounts which are includable on the member's federal form W-
9 2 wage and tax statement under the heading "wages, tips, other
10 compensation," including employee contributions picked up after August 1,
11 1982, pursuant to KRS 6.505(4) or 61.560(4);

12 (b) Includes:

- 13 1. Lump-sum bonuses, severance pay, or employer-provided payments for
14 purchase of service credit, which shall be averaged over the employee's
15 total service with the system in which it is recorded if it is equal to or
16 greater than one thousand dollars (\$1,000);
- 17 2. Cases where compensation includes maintenance and other perquisites,
18 but the board shall fix the value of that part of the compensation not paid
19 in money;
- 20 3. Lump-sum payments for creditable compensation paid as a result of an
21 order of a court of competent jurisdiction, the Personnel Board, or the
22 Commission on Human Rights, or for any creditable compensation paid
23 in anticipation of settlement of an action before a court of competent
24 jurisdiction, the Personnel Board, or the Commission on Human Rights,
25 including notices of violations of state or federal wage and hour statutes
26 or violations of state or federal discrimination statutes, which shall be
27 credited to the fiscal year during which the wages were earned or should

1 have been paid by the employer. This subparagraph shall also include
2 lump-sum payments for reinstated wages pursuant to KRS 61.569,
3 which shall be credited to the period during which the wages were
4 earned or should have been paid by the employer;

- 5 4. Amounts which are not includable in the member's gross income by
6 virtue of the member having taken a voluntary salary reduction provided
7 for under applicable provisions of the Internal Revenue Code; and
8 5. Elective amounts for qualified transportation fringes paid or made
9 available on or after January 1, 2001, for calendar years on or after
10 January 1, 2001, that are not includable in the gross income of the
11 employee by reason of 26 U.S.C. sec. 132(f)(4); and

12 (c) Excludes:

- 13 1. Uniform, equipment, or any other expense allowances paid on or after
14 January 1, 2019, living allowances, expense reimbursements, lump-sum
15 payments for accrued vacation leave, and other items determined by the
16 board;
17 2. For employees who begin participating on or after September 1, 2008,
18 lump-sum payments for compensatory time;
19 3. For employees participating in a nonhazardous position who began
20 participating prior to September 1, 2008, and who retire after July 1,
21 2023, lump-sum payments for compensatory time upon termination of
22 employment; ~~and~~
23 4. For employees who begin participating on or after August 1, 2016,
24 nominal fees paid for services as a volunteer; **and**
25 **5. Any salary or wages paid to an employee for services as a Kentucky**
26 **State Police school resource officer as defined by Section 1 of this Act;**

27 (14) "Final compensation" of a member means:

- 1 (a) For a member who begins participating before September 1, 2008, who is
2 employed in a nonhazardous position, the creditable compensation of the
3 member during the five (5) fiscal years he was paid at the highest average
4 monthly rate divided by the number of months of service credit during that
5 five (5) year period multiplied by twelve (12). The five (5) years may be
6 fractional and need not be consecutive, except that for members retiring on or
7 after January 1, 2019, the five (5) fiscal years shall be complete fiscal years. If
8 the number of months of service credit during the five (5) year period is less
9 than forty-eight (48) for members retiring prior to January 1, 2019, one (1) or
10 more additional fiscal years shall be used. If a member retiring on or after
11 January 1, 2019, does not have five (5) complete fiscal years that each contain
12 twelve (12) months of service credit, then one (1) or more additional fiscal
13 years, which may contain less than twelve (12) months of service credit, shall
14 be added until the number of months in the final compensation calculation is
15 at least sixty (60) months;
- 16 (b) For a member who is employed in a nonhazardous position, whose effective
17 retirement date is between August 1, 2001, and January 1, 2009, and whose
18 total service credit is at least twenty-seven (27) years and whose age and years
19 of service total at least seventy-five (75), final compensation means the
20 creditable compensation of the member during the three (3) fiscal years the
21 member was paid at the highest average monthly rate divided by the number
22 of months of service credit during that three (3) years period multiplied by
23 twelve (12). The three (3) years may be fractional and need not be
24 consecutive. If the number of months of service credit during the three (3)
25 year period is less than twenty-four (24), one (1) or more additional fiscal
26 years shall be used. Notwithstanding the provision of KRS 61.565, the
27 funding for this paragraph shall be provided from existing funds of the

1 retirement allowance;

2 (c) For a member who begins participating before September 1, 2008, who is
3 employed in a hazardous position, as provided in KRS 61.592, and who
4 retired prior to January 1, 2019, the creditable compensation of the member
5 during the three (3) fiscal years he was paid at the highest average monthly
6 rate divided by the number of months of service credit during that three (3)
7 year period multiplied by twelve (12). The three (3) years may be fractional
8 and need not be consecutive. If the number of months of service credit during
9 the three (3) year period is less than twenty-four (24), one (1) or more
10 additional fiscal years shall be used;

11 (d) For a member who begins participating on or after September 1, 2008, but
12 prior to January 1, 2014, who is employed in a nonhazardous position, the
13 creditable compensation of the member during the five (5) complete fiscal
14 years immediately preceding retirement divided by five (5). Each fiscal year
15 used to determine final compensation must contain twelve (12) months of
16 service credit. If the member does not have five (5) complete fiscal years that
17 each contain twelve (12) months of service credit, then one (1) or more
18 additional fiscal years, which may contain less than twelve (12) months of
19 service credit, shall be added until the number of months in the final
20 compensation calculation is at least sixty (60) months; or

21 (e) For a member who begins participating on or after September 1, 2008, but
22 prior to January 1, 2014, who is employed in a hazardous position as provided
23 in KRS 61.592, or for a member who begins participating prior to September
24 1, 2008, who is employed in a hazardous position as provided in KRS 61.592,
25 who retires on or after January 1, 2019, the creditable compensation of the
26 member during the three (3) complete fiscal years he was paid at the highest
27 average monthly rate divided by three (3). Each fiscal year used to determine

1 final compensation must contain twelve (12) months of service credit. If the
2 member does not have three (3) complete fiscal years that each contain twelve
3 (12) months of service credit, then one (1) or more additional fiscal years,
4 which may contain less than twelve (12) months of service credit, shall be
5 added until the number of months in the final compensation calculation is at
6 least thirty-six (36) months;

7 (15) "Final rate of pay" means the actual rate upon which earnings of an employee were
8 calculated during the twelve (12) month period immediately preceding the
9 member's effective retirement date, including employee contributions picked up
10 after August 1, 1982, pursuant to KRS 61.560(4). The rate shall be certified to the
11 system by the employer and the following equivalents shall be used to convert the
12 rate to an annual rate: two thousand eighty (2,080) hours for eight (8) hour
13 workdays, nineteen hundred fifty (1,950) hours for seven and one-half (7-1/2) hour
14 workdays, two hundred sixty (260) days, fifty-two (52) weeks, twelve (12) months,
15 one (1) year;

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

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

26 (18) "Normal retirement date" means the sixty-fifth birthday of a member, unless
27 otherwise provided in KRS 61.510 to 61.705;

- 1 (19) "Fiscal year" of the system means the twelve (12) months from July 1 through the
2 following June 30, which shall also be the plan year. The "fiscal year" shall be the
3 limitation year used to determine contribution and benefit limits as established by
4 26 U.S.C. sec. 415;
- 5 (20) "Officers and employees of the General Assembly" means the occupants of those
6 positions enumerated in KRS 6.150. The term shall also apply to assistants who
7 were employed by the General Assembly for at least one (1) regular legislative
8 session prior to July 13, 2004, who elect to participate in the retirement system, and
9 who serve for at least six (6) regular legislative sessions. Assistants hired after July
10 13, 2004, shall be designated as interim employees;
- 11 (21) "Regular full-time positions," as used in subsection (5) of this section, shall mean
12 all positions that average one hundred (100) or more hours per month determined by
13 using the number of months actually worked within a calendar or fiscal year,
14 including all positions except:
- 15 (a) Seasonal positions, which although temporary in duration, are positions which
16 coincide in duration with a particular season or seasons of the year and which
17 may recur regularly from year to year, the period of time shall not exceed nine
18 (9) months;
- 19 (b) Emergency positions which are positions which do not exceed thirty (30)
20 working days and are nonrenewable;
- 21 (c) Temporary positions which are positions of employment with a participating
22 department for a period of time not to exceed nine (9) months and are
23 nonrenewable;
- 24 (d) Part-time positions which are positions which may be permanent in duration,
25 but which require less than a calendar or fiscal year average of one hundred
26 (100) hours of work per month, determined by using the number of months
27 actually worked within a calendar or fiscal year, in the performance of duty;

1 and

2 (e) Interim positions which are positions established for a one-time or recurring
3 need not to exceed nine (9) months;

4 (22) "Delayed contribution payment" means an amount paid by an employee for
5 purchase of current service. The amount shall be determined using the same formula
6 in KRS 61.5525, and the payment shall not be picked up by the employer. A
7 delayed contribution payment shall be deposited to the member's account and
8 considered as accumulated contributions of the individual member. In determining
9 payments under this subsection, the formula found in this subsection shall prevail
10 over the one found in KRS 212.434;

11 (23) "Parted employer" means a department, portion of a department, board, or agency,
12 such as Outwood Hospital and School, which previously participated in the system,
13 but due to lease or other contractual arrangement is now operated by a publicly held
14 corporation or other similar organization, and therefore is no longer participating in
15 the system. The term "parted employer" shall not include a department, board, or
16 agency that ceased participation in the system pursuant to KRS 61.522;

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

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

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

27 (27) "Recipient" means the retired member or the person or persons designated as

1 beneficiary by the member and drawing a retirement allowance as a result of the
2 member's death or a dependent child drawing a retirement allowance. An alternate
3 payee of a qualified domestic relations order shall not be considered a recipient,
4 except for purposes of KRS 61.623;

5 (28) "Level dollar amortization method" means a method of determining the annual
6 amortization payment on the unfunded actuarial accrued liability that is set as an
7 equal dollar amount over the remaining amortization period as of the actuarial
8 valuation date. Under this method, the unfunded actuarially accrued liability shall
9 be projected to be fully amortized at the conclusion of the amortization period;

10 (29) "Increment" means twelve (12) months of service credit which are purchased. The
11 twelve (12) months need not be consecutive. The final increment may be less than
12 twelve (12) months;

13 (30) "Person" means a natural person;

14 (31) "Retirement office" means the Kentucky Retirement Systems office building in
15 Frankfort;

16 (32) "Last day of paid employment" means the last date employer and employee
17 contributions are required to be reported in accordance with KRS 16.543, 61.543, or
18 78.615 to the retirement office in order for the employee to receive current service
19 credit for the month. Last day of paid employment does not mean a date the
20 employee receives payment for accrued leave, whether by lump sum or otherwise, if
21 that date occurs twenty-four (24) or more months after previous contributions;

22 (33) "Objective medical evidence" means reports of examinations or treatments; medical
23 signs which are anatomical, physiological, or psychological abnormalities that can
24 be observed; psychiatric signs which are medically demonstrable phenomena
25 indicating specific abnormalities of behavior, affect, thought, memory, orientation,
26 or contact with reality; or laboratory findings which are anatomical, physiological,
27 or psychological phenomena that can be shown by medically acceptable laboratory

- 1 diagnostic techniques, including but not limited to chemical tests,
2 electrocardiograms, electroencephalograms, X-rays, and psychological tests;
- 3 (34) "Participating" means an employee is currently earning service credit in the system
4 as provided in KRS 61.543;
- 5 (35) "Month" means a calendar month;
- 6 (36) "Membership date" means:
- 7 (a) The date upon which the member began participating in the system as
8 provided in KRS 61.543; or
- 9 (b) For a member electing to participate in the system pursuant to KRS
10 196.167(4) who has not previously participated in the system or the Kentucky
11 Teachers' Retirement System, the date the member began participating in a
12 defined contribution plan that meets the requirements of 26 U.S.C. sec.
13 403(b);
- 14 (37) "Participant" means a member, as defined by subsection (8) of this section, or a
15 retired member, as defined by subsection (24) of this section;
- 16 (38) "Qualified domestic relations order" means any judgment, decree, or order,
17 including approval of a property settlement agreement, that:
- 18 (a) Is issued by a court or administrative agency; and
- 19 (b) Relates to the provision of child support, alimony payments, or marital
20 property rights to an alternate payee;
- 21 (39) "Alternate payee" means a spouse, former spouse, child, or other dependent of a
22 participant, who is designated to be paid retirement benefits in a qualified domestic
23 relations order;
- 24 (40) "Accumulated employer credit" mean the employer pay credit deposited to the
25 member's account and interest credited on such amounts as provided by KRS
26 16.583 and 61.597;
- 27 (41) "Accumulated account balance" means:

- 1 (a) For members who began participating in the system prior to January 1, 2014,
2 the member's accumulated contributions;
- 3 (b) For members who began participating in the system on or after January 1,
4 2014, in the hybrid cash balance plan as provided by KRS 16.583 and 61.597,
5 the combined sum of the member's accumulated contributions and the
6 member's accumulated employer credit; or
- 7 (c) For nonhazardous members who are participating in the 401(a) money
8 purchase plan as provided by KRS 61.5956, the combined sum of the
9 member's accumulated contribution and the member's accumulated employer
10 contribution in the 401(a) money purchase plan;
- 11 (42) "Volunteer" means an individual who:
- 12 (a) Freely and without pressure or coercion performs hours of service for an
13 employer participating in one (1) of the systems administered by Kentucky
14 Retirement Systems without receipt of compensation for services rendered,
15 except for reimbursement of actual expenses, payment of a nominal fee to
16 offset the costs of performing the voluntary services, or both; and
- 17 (b) If a retired member, does not become an employee, leased employee, or
18 independent contractor of the employer for which he or she is performing
19 volunteer services for a period of at least twenty-four (24) months following
20 the retired member's most recent retirement date;
- 21 (43) "Nominal fee" means compensation earned for services as a volunteer that does not
22 exceed five hundred dollars (\$500) per month. Compensation earned for services as
23 a volunteer from more than one (1) participating employer during a month shall be
24 aggregated to determine whether the compensation exceeds the five hundred dollars
25 (\$500) per month maximum provided by this subsection;
- 26 (44) "Nonhazardous position" means a position that does not meet the requirements of
27 KRS 61.592 or has not been approved by the board as a hazardous position;

1 (45) "Accumulated employer contribution" means the employer contribution deposited
2 to the member's account and any investment returns on such amounts as provided
3 by KRS 61.5956; and

4 (46) "Monthly average pay" means the higher of the member's monthly final rate of pay
5 or the average monthly creditable compensation earned by the deceased member
6 during his or her last twelve (12) months of employment.

7 ➔Section 5. KRS 78.510 is amended to read as follows:

8 As used in KRS 78.510 to 78.852, unless the context otherwise requires:

- 9 (1) "System" means the County Employees Retirement System;
- 10 (2) "Board" means the board of trustees of the system as provided in KRS 78.780;
- 11 (3) "County" means any county, or nonprofit organization created and governed by a
12 county, counties, or elected county officers, sheriff and his employees, county clerk
13 and his employees, circuit clerk and his deputies, former circuit clerks or former
14 circuit clerk deputies, or political subdivision or instrumentality, including school
15 boards, charter county government, or urban-county government participating in the
16 system by order appropriate to its governmental structure, as provided in KRS
17 78.530, and if the board is willing to accept the agency, organization, or
18 corporation, the board being hereby granted the authority to determine the eligibility
19 of the agency to participate;
- 20 (4) "School board" means any board of education participating in the system by order
21 appropriate to its governmental structure, as provided in KRS 78.530, and if the
22 board is willing to accept the agency or corporation, the board being hereby granted
23 the authority to determine the eligibility of the agency to participate;
- 24 (5) "Examiner" means the medical examiners as provided in KRS 61.665;
- 25 (6) "Employee" means every regular full-time appointed or elective officer or employee
26 of a participating county and the coroner of a participating county, whether or not he
27 qualifies as a regular full-time officer. The term shall not include persons engaged

1 as independent contractors, seasonal, emergency, temporary, and part-time workers.

2 In case of any doubt, the board shall determine if a person is an employee within the
3 meaning of KRS 78.510 to 78.852;

4 (7) "Employer" means a county, as defined in subsection (3) of this section, the elected
5 officials of a county, or any authority of the county having the power to appoint or
6 elect an employee to office or employment in the county;

7 (8) "Member" means any employee who is included in the membership of the system or
8 any former employee whose membership has not been terminated under KRS
9 61.535;

10 (9) "Service" means the total of current service and prior service as defined in this
11 section;

12 (10) "Current service" means the number of years and months of employment as an
13 employee, on and after July 1, 1958, for which creditable compensation is paid and
14 employee contributions deducted, except as otherwise provided;

15 (11) "Prior service" means the number of years and completed months, expressed as a
16 fraction of a year, of employment as an employee, prior to July 1, 1958, for which
17 creditable compensation was paid. An employee shall be credited with one (1)
18 month of prior service only in those months he received compensation for at least
19 one hundred (100) hours of work. Twelve (12) months of current service in the
20 system shall be required to validate prior service;

21 (12) "Accumulated contributions" means the sum of all amounts deducted from the
22 compensation of a member and credited to his individual account in the members'
23 account, including employee contributions picked up after August 1, 1982, pursuant
24 to KRS 78.610(4), together with interest credited, or investment returns earned as
25 provided by KRS 61.5956, on the amounts, and any other amounts the member
26 shall have contributed thereto, including interest credited thereon or investment
27 returns earned as provided by KRS 61.5956. "Accumulated contributions" shall not

1 include employee contributions that are deposited into accounts established
2 pursuant to 26 U.S.C. sec. 401(h) within the funds established in KRS 16.510,
3 61.515, and 78.520, as prescribed by KRS 61.702(2)(b);

4 (13) "Creditable compensation":

5 (a) Except as provided by paragraph (b) or (c) of this subsection, means all salary,
6 wages, and fees, including payments for compensatory time, paid to the
7 employee as a result of services performed for the employer or for time during
8 which the member is on paid leave, which are includable on the member's
9 federal form W-2 wage and tax statement under the heading "wages, tips,
10 other compensation", including employee contributions picked up after
11 August 1, 1982, pursuant to KRS 78.610(4);

12 (b) Includes:

- 13 1. Lump-sum bonuses, severance pay, or employer-provided payments for
14 purchase of service credit, which shall be averaged over the employee's
15 service with the system in which it is recorded if it is equal to or greater
16 than one thousand dollars (\$1,000);
- 17 2. Cases where compensation includes maintenance and other perquisites,
18 but the board shall fix the value of that part of the compensation not paid
19 in money;
- 20 3. Lump-sum payments for creditable compensation paid as a result of an
21 order of a court of competent jurisdiction, the Personnel Board, or the
22 Commission on Human Rights, or for any creditable compensation paid
23 in anticipation of settlement of an action before a court of competent
24 jurisdiction, the Personnel Board, or the Commission on Human Rights,
25 including notices of violations of state or federal wage and hour statutes
26 or violations of state or federal discrimination statutes, which shall be
27 credited to the fiscal year during which the wages were earned or should

- 1 have been paid by the employer. This subparagraph shall also include
2 lump-sum payments for reinstated wages pursuant to KRS 61.569,
3 which shall be credited to the period during which the wages were
4 earned or should have been paid by the employer;
- 5 4. Amounts which are not includable in the member's gross income by
6 virtue of the member having taken a voluntary salary reduction provided
7 for under applicable provisions of the Internal Revenue Code; and
- 8 5. Elective amounts for qualified transportation fringes paid or made
9 available on or after January 1, 2001, for calendar years on or after
10 January 1, 2001, that are not includable in the gross income of the
11 employee by reason of 26 U.S.C. sec. 132(f)(4); and
- 12 (c) Excludes:
- 13 1. Uniform, equipment, or any other expense allowances paid on or after
14 January 1, 2019, living allowances, expense reimbursements, lump-sum
15 payments for accrued vacation leave, sick leave except as provided in
16 KRS 78.616(5), and other items determined by the board;
- 17 2. For employees who begin participating on or after September 1, 2008,
18 lump-sum payments for compensatory time;
- 19 3. Training incentive payments for city officers paid as set out in KRS
20 64.5277 to 64.5279;
- 21 4. For employees who begin participating on or after August 1, 2016,
22 nominal fees paid for services as a volunteer;~~and~~
- 23 5. For employees who are employed in a nonhazardous position, who
24 began participating prior to September 1, 2008, and who retire after July
25 1, 2023, lump-sum payments for compensatory time upon termination of
26 employment; and
- 27 6. Any salary or wages paid to an employee for services as a Kentucky

1 **State Police school resource officer as defined by Section 1 of this Act:**

- 2 (14) "Final compensation" means:
- 3 (a) For a member who begins participating before September 1, 2008, who is
- 4 employed in a nonhazardous position, the creditable compensation of the
- 5 member during the five (5) fiscal years he was paid at the highest average
- 6 monthly rate divided by the number of months of service credit during that
- 7 five (5) year period multiplied by twelve (12). The five (5) years may be
- 8 fractional and need not be consecutive, except that for members retiring on or
- 9 after January 1, 2019, the five (5) fiscal years shall be complete fiscal years. If
- 10 the number of months of service credit during the five (5) year period is less
- 11 than forty-eight (48) for members retiring prior to January 1, 2019, one (1) or
- 12 more additional fiscal years shall be used. If a member retiring on or after
- 13 January 1, 2019, does not have five (5) complete fiscal years that each contain
- 14 twelve (12) months of service credit, then one (1) or more additional fiscal
- 15 years, which may contain less than twelve (12) months of service credit, shall
- 16 be added until the number of months in the final compensation calculation is
- 17 at least sixty (60) months;
- 18 (b) For a member who is employed in a nonhazardous position, whose effective
- 19 retirement date is between August 1, 2001, and January 1, 2009, and whose
- 20 total service credit is at least twenty-seven (27) years and whose age and years
- 21 of service total at least seventy-five (75), final compensation means the
- 22 creditable compensation of the member during the three (3) fiscal years the
- 23 member was paid at the highest average monthly rate divided by the number
- 24 of months of service credit during that three (3) year period multiplied by
- 25 twelve (12). The three (3) years may be fractional and need not be
- 26 consecutive. If the number of months of service credit during the three (3)
- 27 year period is less than twenty-four (24), one (1) or more additional fiscal

1 years shall be used. Notwithstanding the provision of KRS 61.565, the
2 funding for this paragraph shall be provided from existing funds of the
3 retirement allowance;

4 (c) For a member who begins participating before September 1, 2008, who is
5 employed in a hazardous position, as provided in KRS 61.592, and who
6 retired prior to January 1, 2019, the creditable compensation of the member
7 during the three (3) fiscal years he was paid at the highest average monthly
8 rate divided by the number of months of service credit during that three (3)
9 year period multiplied by twelve (12). The three (3) years may be fractional
10 and need not be consecutive. If the number of months of service credit during
11 the three (3) year period is less than twenty-four (24), one (1) or more
12 additional fiscal years, which may contain less than twelve (12) months of
13 service credit, shall be used;

14 (d) For a member who begins participating on or after September 1, 2008, but
15 prior to January 1, 2014, who is employed in a nonhazardous position, the
16 creditable compensation of the member during the five (5) complete fiscal
17 years immediately preceding retirement divided by five (5). Each fiscal year
18 used to determine final compensation must contain twelve (12) months of
19 service credit. If the member does not have five (5) complete fiscal years that
20 each contain twelve (12) months of service credit, then one (1) or more
21 additional fiscal years, which may contain less than twelve (12) months of
22 service credit, shall be added until the number of months in the final
23 compensation calculation is at least sixty (60) months; or

24 (e) For a member who begins participating on or after September 1, 2008, but
25 prior to January 1, 2014, who is employed in a hazardous position as provided
26 in KRS 61.592, or for a member who begins participating prior to September
27 1, 2008, who is employed in a hazardous position as provided in KRS 61.592,

1 who retires on or after January 1, 2019, the creditable compensation of the
2 member during the three (3) complete fiscal years he was paid at the highest
3 average monthly rate divided by three (3). Each fiscal year used to determine
4 final compensation must contain twelve (12) months of service credit. If the
5 member does not have three (3) complete fiscal years that each contain twelve
6 (12) months of service credit, then one (1) or more additional fiscal years,
7 which may contain less than twelve (12) months of service credit, shall be
8 added until the number of months in the final compensation calculation is at
9 least thirty-six (36) months;

10 (15) "Final rate of pay" means the actual rate upon which earnings of an employee were
11 calculated during the twelve (12) month period immediately preceding the
12 member's effective retirement date, and shall include employee contributions picked
13 up after August 1, 1982, pursuant to KRS 78.610(4). The rate shall be certified to
14 the system by the employer and the following equivalents shall be used to convert
15 the rate to an annual rate: two thousand eighty (2,080) hours for eight (8) hour
16 workdays, one thousand nine hundred fifty (1,950) hours for seven and one-half
17 (7.5) hour workdays, two hundred sixty (260) days, fifty-two (52) weeks, twelve
18 (12) months, one (1) year;

19 (16) "Retirement allowance" means the retirement payments to which a member is
20 entitled;

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

1 computed under early retirement;

2 (18) "Normal retirement date" means the sixty-fifth birthday of a member unless
3 otherwise provided in KRS 78.510 to 78.852;

4 (19) "Fiscal year" of the system means the twelve (12) months from July 1 through the
5 following June 30, which shall also be the plan year. The "fiscal year" shall be the
6 limitation year used to determine contribution and benefits limits as set out in 26
7 U.S.C. sec. 415;

8 (20) "Agency reporting official" means the person designated by the participating agency
9 who shall be responsible for forwarding all employer and employee contributions
10 and a record of the contributions to the system and for performing other
11 administrative duties pursuant to the provisions of KRS 78.510 to 78.852;

12 (21) "Regular full-time positions," as used in subsection (6) of this section, shall mean
13 all positions that average one hundred (100) or more hours per month, determined
14 by using the number of hours actually worked in a calendar or fiscal year, or eighty
15 (80) or more hours per month in the case of noncertified employees of school
16 boards, determined by using the number of hours actually worked in a calendar or
17 school year, unless otherwise specified, except:

18 (a) Seasonal positions, which although temporary in duration, are positions which
19 coincide in duration with a particular season or seasons of the year and that
20 may recur regularly from year to year, in which case the period of time shall
21 not exceed nine (9) months, except for employees of school boards, in which
22 case the period of time shall not exceed six (6) months;

23 (b) Emergency positions that are positions that do not exceed thirty (30) working
24 days and are nonrenewable;

25 (c) Temporary positions that are positions of employment with a participating
26 agency for a period of time not to exceed twelve (12) months and not
27 renewable;

- 1 (d) Probationary positions which are positions of employment with a participating
2 employer that do not exceed twelve (12) months and that are used uniformly
3 by the participating agency on new employees who would otherwise be
4 eligible for participation in the system. Probationary positions shall not be
5 renewable by the participating employer for the same employee, unless the
6 employee has not been employed with the participating employer for a period
7 of at least twelve (12) months; or
- 8 (e) Part-time positions that are positions that may be permanent in duration, but
9 that require less than a calendar or fiscal year average of one hundred (100)
10 hours of work per month, determined by using the number of months actually
11 worked within a calendar or fiscal year, in the performance of duty, except in
12 case of noncertified employees of school boards, the school term average shall
13 be eighty (80) hours of work per month, determined by using the number of
14 months actually worked in a calendar or school year, in the performance of
15 duty;
- 16 (22) "Alternate participation plan" means a method of participation in the system as
17 provided for by KRS 78.530(3);
- 18 (23) "Retired member" means any former member receiving a retirement allowance or
19 any former member who has on file at the retirement office the necessary
20 documents for retirement benefits and is no longer contributing to the system;
- 21 (24) "Current rate of pay" means the member's actual hourly, daily, weekly, biweekly,
22 monthly, or yearly rate of pay converted to an annual rate as defined in final rate of
23 pay. The rate shall be certified by the employer;
- 24 (25) "Beneficiary" means the person, persons, estate, trust, or trustee designated by the
25 member in accordance with KRS 61.542 or 61.705 to receive any available benefits
26 in the event of the member's death. As used in KRS 61.702, beneficiary shall not
27 mean an estate, trust, or trustee;

- 1 (26) "Recipient" means the retired member, the person or persons designated as
2 beneficiary by the member and drawing a retirement allowance as a result of the
3 member's death, or a dependent child drawing a retirement allowance. An alternate
4 payee of a qualified domestic relations order shall not be considered a recipient,
5 except for purposes of KRS 61.623;
- 6 (27) "Person" means a natural person;
- 7 (28) "School term or year" means the twelve (12) months from July 1 through the
8 following June 30;
- 9 (29) "Retirement office" means the Kentucky Retirement Systems office building in
10 Frankfort;
- 11 (30) "Delayed contribution payment" means an amount paid by an employee for current
12 service obtained under KRS 61.552. The amount shall be determined using the
13 same formula in KRS 61.5525, except the determination of the actuarial cost for
14 classified employees of a school board shall be based on their final compensation,
15 and the payment shall not be picked up by the employer. A delayed contribution
16 payment shall be deposited to the member's account and considered as accumulated
17 contributions of the individual member. In determining payments under this
18 subsection, the formula found in this subsection shall prevail over the one found in
19 KRS 212.434;
- 20 (31) "Participating" means an employee is currently earning service credit in the system
21 as provided in KRS 78.615;
- 22 (32) "Month" means a calendar month;
- 23 (33) "Membership date" means the date upon which the member began participating in
24 the system as provided in KRS 78.615;
- 25 (34) "Participant" means a member, as defined by subsection (8) of this section, or a
26 retired member, as defined by subsection (23) of this section;
- 27 (35) "Qualified domestic relations order" means any judgment, decree, or order,

1 including approval of a property settlement agreement, that:

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

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

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

8 (37) "Accumulated employer credit" means the employer pay credit deposited to the
9 member's account and interest credited on such amounts as provided by KRS
10 16.583 and 61.597;

11 (38) "Accumulated account balance" means:

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

14 (b) For members who began participating in the system on or after January 1,
15 2014, in the hybrid cash balance plan as provided by KRS 16.583 and 61.597,
16 the combined sum of the member's accumulated contributions and the
17 member's accumulated employer credit; or

18 (c) For nonhazardous members who are participating in the 401(a) money
19 purchase plan as provided by KRS 61.5956, the combined sum of the
20 member's accumulated contributions and the member's accumulated employer
21 contributions in the 401(a) money purchase plan;

22 (39) "Volunteer" means an individual who:

23 (a) Freely and without pressure or coercion performs hours of service for an
24 employer participating in one (1) of the systems administered by Kentucky
25 Retirement Systems without receipt of compensation for services rendered,
26 except for reimbursement of actual expenses, payment of a nominal fee to
27 offset the costs of performing the voluntary services, or both; and

1 (b) If a retired member, does not become an employee, leased employee, or
 2 independent contractor of the employer for which he or she is performing
 3 volunteer services for a period of at least twenty-four (24) months following
 4 the retired member's most recent retirement date;

5 (40) "Nominal fee" means compensation earned for services as a volunteer that does not
 6 exceed five hundred dollars (\$500) per month. Compensation earned for services as
 7 a volunteer from more than one (1) participating employer during a month shall be
 8 aggregated to determine whether the compensation exceeds the five hundred dollars
 9 (\$500) per month maximum provided by this subsection;

10 (41) "Nonhazardous position" means a position that does not meet the requirements of
 11 KRS 61.592 or has not been approved by the board as a hazardous position;

12 (42) "Accumulated employer contribution" means the employer contribution deposited
 13 to the member's account and any investment returns on such amounts as provided
 14 by KRS 61.5956; and

15 (43) "Monthly average pay" means the higher of the member's monthly final rate of pay
 16 or the average monthly creditable compensation earned by the deceased member
 17 during his or her last twelve (12) months of employment.

18 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 162 IS CREATED TO
 19 READ AS FOLLOWS:

20 **(1) The chief state school officer shall not approve the plans and specifications for a**
 21 **new public school building contemplated by a board of education or for any**
 22 **addition or alteration of old buildings, as required by KRS 162.060, unless the**
 23 **plans and specifications provide for:**

24 **(a) A minimum of two (2) water bottle filling stations in each school;**

25 **(b) A minimum of one (1) drinking fountain or water bottle filling station on**
 26 **each floor and wing of each school building; and**

27 **(c) A minimum of one (1) drinking fountain or water bottle filling station for**

1 every seventy-five (75) students projected to attend the school upon
2 completion of the proposed construction.

3 **(2) Any water bottle filling station installed in a public school building shall:**

4 **(a) Dispense filtered, clean drinking water;**

5 **(b) Be regularly cleaned and maintained; and**

6 **(c) If there is no drinking fountain on the same floor and wing as the water**
7 **bottle filling station, be accompanied by a cup dispenser.**

8 **(3) Any drinking fountain installed in a public school building shall:**

9 **(a) Be equipped with a protective cowl;**

10 **(b) Be equipped with a water spout at least one (1) inch above the overflow rim**
11 **of the drinking fountain;**

12 **(c) Dispense filtered, clean drinking water; and**

13 **(d) Be regularly cleaned and maintained.**

14 ➔Section 7. Whereas the General Assembly hereby finds, determines, and
15 declares that Sections 1 through 5 of this Act are necessary for the immediate
16 preservation of public peace, health, and safety, an emergency is declared to exist and
17 Sections 1 through 5 of this Act take effect upon the Act's passage and approval by the
18 Governor or upon its otherwise becoming law.