

1 AN ACT relating to dually employed retirement system members.

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

3 ➔Section 1. KRS 61.545 is amended to read as follows:

- 4 (1) The board shall determine by appropriate administrative regulations how much  
5 service in any year is the equivalent of a year of service credit and how much  
6 service in any calendar month is the equivalent of a month of service credit. It shall  
7 not allow credit for more than one (1) year of service for all service rendered in any  
8 period of twelve (12) consecutive months except as provided in KRS 61.546 and in  
9 subsection (2) of this section.
- 10 (2) (a) Employees participating in one (1) of the state-administered retirement  
11 systems who are or have been employed by a school board participating in the  
12 County Employees Retirement System, a state-operated school under KRS  
13 Chapter 167, a participating community action agency, or a Kentucky  
14 institution of higher education which participates in the Kentucky Employees  
15 Retirement System, and who receive service credit for less than twelve (12)  
16 months each year, may purchase the additional months of service credit  
17 needed to total one (1) year of service credit except the amount purchased  
18 shall not exceed three (3) months. The employee may purchase the service  
19 credit by paying the retirement system a delayed contribution payment in  
20 accordance with the payment options and restrictions established by KRS  
21 61.552(14). Employees who have service credit prior to July 1, 1992, or their  
22 employers, the state-operated school under KRS Chapter 167, the Kentucky  
23 institution of higher education, or the school board may purchase service  
24 credit on behalf of the employee for previous years by paying the retirement  
25 system the delayed contribution payment in accordance with the payment  
26 options and restrictions established by KRS 61.552(14).
- 27 (b) The cost of service under this subsection may be paid by both the employer

1 and employee. The employer shall pay fifty percent (50%) of the cost and the  
2 employee shall pay fifty percent (50%) of the cost. The payment by the  
3 employer shall not be deposited to the member's account. Service credit shall  
4 not be credited to the member's account until both the employer's and  
5 employee's payment are received by the retirement system.

6 (c) If the employee has purchased service credit under this subsection based on  
7 months reported by the employer for the fiscal year, and an audit of the  
8 employee's account reduces the number of months of service credit for which  
9 the employee is eligible to no fewer than nine (9) months, the employee shall  
10 retain credit for the months purchased unless the employee is ineligible for  
11 any service in the fiscal year. The employee shall be eligible to purchase the  
12 additional months under this subsection to total one (1) year.

13 (d) This subsection shall not apply to members who begin participating in the  
14 systems administered by Kentucky Retirement Systems on or after January 1,  
15 2014.

16 (3) (a) If an employee participates in more than one (1) of the retirement systems  
17 administered by the Kentucky Retirement Systems, the employee's service  
18 credit shall be divided between each system determined by dividing the  
19 employee's creditable compensation in each system by the employee's total  
20 creditable compensation in all systems.

21 (b) 1. If an employee earns creditable compensation in both a hazardous  
22 position, as defined by KRS 61.592, and a nonhazardous position, the  
23 employee's service credit shall be divided between the employee's  
24 hazardous and nonhazardous positions determined by dividing the  
25 employee's creditable compensation in the hazardous and nonhazardous  
26 positions by the employee's combined hazardous and nonhazardous  
27 creditable compensation, ***except as provided by subparagraph 2. of this***

1                    paragraph.

2                    2. If an employee is participating in a hazardous position, as defined by

3                    KRS 61.592, that meets the definition of a regular full-time position

4                    under KRS 61.510(21) or 78.510(21) based solely upon his or her

5                    service in a hazardous position, and is simultaneously employed in a

6                    nonhazardous position with a different participating employer that

7                    would not be considered a regular full-time position based solely upon

8                    their service in the nonhazardous position, the employee shall not

9                    participate in the system under nonhazardous coverage unless the

10                   employee makes a one (1) time irrevocable election within thirty (30)

11                   days of employment in the nonhazardous position to participate in the

12                   system for his or her employment in the nonhazardous position with

13                   that employer.

14                   ➔Section 2. KRS 61.680 is amended to read as follows:

15                   Except as limited by KRS 6.525, 21.374, 61.5955, or 61.5956:

16                   (1) Prior to August 1, 1982, every employee shall be deemed to consent and agree to

17                   any deduction from his compensation required by KRS 6.500 to 6.535, 16.505 to

18                   16.652, 61.510 to 61.692, 78.510 to 78.852, and to all other provisions thereof.

19                   Thereafter, employee contributions shall be picked up by the employer pursuant to

20                   KRS 61.560(4).

21                   (2) (a) Notwithstanding any other provisions of KRS 6.500 to 6.535, 16.505 to

22                   16.652, 61.510 to 61.692, 78.510 to 78.852 and 161.220 to 161.714:

23                   1. Upon death, disability, or service retirement, a member's accounts under

24                   the Legislators' Retirement Plan, State Police Retirement System,

25                   Kentucky Employees Retirement System, County Employees Retirement

26                   System, and Teachers' Retirement System, except for service prohibited

27                   by KRS 161.623(2), shall be consolidated for the purpose of determining

- 1 eligibility and amount of benefits, including those members who  
2 participate in the hybrid cash balance plan or 401(a) money purchase  
3 plans within the Kentucky Employees Retirement System, the County  
4 Employees Retirement System, the State Police Retirement System, or  
5 the Teachers' Retirement System;
- 6 2. Vested service credit in a retirement system, other than the Teachers'  
7 Retirement System, sponsored by a Kentucky institution of higher  
8 education and accepted by the Kentucky Employees Retirement System  
9 or the County Employees Retirement System, may be used to determine  
10 eligibility for twenty-seven (27) year retirement for an employee who  
11 begins participating before September 1, 2008, but not the amount of  
12 benefits;
- 13 3. The computation of benefits shall be based on the applicable formula in  
14 each system and service credit in each system, but the final  
15 compensation, excluding compensation earned under KRS 161.155(10),  
16 shall be determined as if all service were in one (1) system;
- 17 4. If the member has prior service in more than one (1) system  
18 administered by Kentucky Retirement Systems, he shall obtain at least  
19 twelve (12) months' current service in each system in which he has prior  
20 service in order to validate the prior service in each system for purposes  
21 of determining consolidated benefits under this subsection; and
- 22 5. Upon the determination of benefits, each system shall pay the applicable  
23 amount of benefits due the member.
- 24 (b) The provisions of paragraph (a) of this subsection shall be waived if the  
25 member:
- 26 1. Notifies the system of his desire to maintain separate retirement  
27 accounts in the State Police Retirement System, Kentucky Employees

- 1 Retirement System, or County Employees Retirement System; or
- 2 2. Fails to simultaneously retire from all state-administered retirement
- 3 systems in which the member has an account or fails to retire from any
- 4 other systems not administered by Kentucky Retirement Systems within
- 5 one (1) month of the member's effective retirement date in the systems
- 6 administered by Kentucky Retirement Systems.
- 7 (c) If the member has not contributed at least one (1) year in a system in which he
- 8 has prior service, his current service in the system shall be valid for purposes
- 9 of determining eligibility and in computation of benefits on a consolidated
- 10 basis.
- 11 (3) (a) A member with service credit in the Kentucky Employees Retirement System,
- 12 State Police Retirement System, or the County Employees Retirement System
- 13 who becomes the holder of an office entitling him to membership in the
- 14 Judicial Retirement Plan or the Legislators' Retirement Plan, but who does not
- 15 elect within thirty (30) days after taking office in such service to participate in
- 16 the plan, in accordance with KRS 6.505 or 21.360, shall be deemed to have
- 17 elected to retain membership in the system in which he is a member, either the
- 18 Kentucky Employees Retirement System, State Police Retirement System, or
- 19 the County Employees Retirement System. In that event, the agency
- 20 employing the member shall withhold employee contributions, or picked-up
- 21 employee contributions after August 2, 1982, make employer contributions
- 22 and remit these contributions to the system in which the member retained his
- 23 membership.
- 24 (b) Any person entitled to membership in the Judicial Retirement Plan or the
- 25 Legislators' Retirement Plan, who does not elect within thirty (30) days after
- 26 taking office to participate in the plan, in accordance with KRS 6.505 or
- 27 21.360, and who at the time of taking office is not a contributing member of,

1 or does not have service credit in, any of the retirement systems mentioned in  
2 this section, or the Teachers' Retirement System, shall participate in the  
3 Kentucky Employees Retirement System.

4 (c) A member of one (1) of the state-administered retirement plans who ceases to  
5 contribute to the plan as provided in KRS 21.360 and who is employed in a  
6 nonelected position by an agency participating in the Kentucky Retirement  
7 Systems or Kentucky Teachers' Retirement System shall be deemed to have  
8 elected membership in the system in which the employer of the nonelected  
9 position participates. A member of one (1) of the state-administered  
10 retirement plans who ceases to contribute to the plan as provided in KRS  
11 21.360 and who is not employed in a nonelected position by an agency  
12 participating in the Kentucky Retirement Systems shall be deemed to have  
13 elected membership in the Kentucky Employees Retirement System.

14 (4) (a) Prior to July 1, 1976, a person entering the service of an employer  
15 participating in the Kentucky Employees Retirement System or the County  
16 Employees Retirement System with service credit in the Teachers' Retirement  
17 System and who desires to retain membership in the Teachers' Retirement  
18 System, and who is permitted by that system to continue, shall be exempt  
19 from participating in the Kentucky Employees Retirement System or the  
20 County Employees Retirement System.

21 (b) Any person who has elected to retain membership in the Teachers' Retirement  
22 System as provided in paragraph (a) of this subsection may cancel his election  
23 and participate in the system under which his position would normally  
24 participate, if he elects to cancel his option prior to January 1, 1977.

25 (c) Any member of the General Assembly who upon election is a contributing  
26 member of the Teachers' Retirement System and who does not elect within  
27 thirty (30) days after taking office to participate in the Legislators' Retirement

1 Plan, in accordance with KRS 6.505, shall during his term of office participate  
2 in the Kentucky Employees Retirement System unless an election to retain  
3 membership in the Teachers' Retirement System is filed in writing within  
4 ninety (90) days after his term of office begins. No contributions may be made  
5 to the Teachers' Retirement System for the same period of service under the  
6 Legislators' Retirement Plan or the Kentucky Employees Retirement System  
7 as a member of the General Assembly, but contributions made to the Teachers'  
8 Retirement System while a member of the General Assembly shall be  
9 transferred to the Legislators' Retirement Plan, as provided for in KRS 6.535,  
10 when the member elects to join the Legislators' Retirement Plan, and service  
11 credit in the Legislators' Retirement Plan shall be granted as provided for in  
12 KRS 6.505(5).

13 (5) Any member of the Kentucky Employees Retirement System or County Employees  
14 Retirement System who is working in a position covered by one (1) of these  
15 retirement systems and his employee contributions, service credit and employer  
16 contributions made on his behalf are being transferred to the other retirement  
17 system shall contribute to the system in which his employer participates, or after  
18 August 1, 1982, the employer shall pick up the employee contributions, and no  
19 further contributions or service credit shall be transferred to the system in which he  
20 elected to retain membership, as subsection (2) of this section eliminates the  
21 necessity of the transfers.

22 (6) Except as provided by subsection (3)(b)2. of Section 1 of this Act, any member of  
23 the Kentucky Employees Retirement System or County Employees Retirement  
24 System who is working in more than one (1) position covered by the same  
25 retirement system, shall have his wages and contributions consolidated and his  
26 retirement account administered as a single account. If part-time positions are  
27 involved, an accumulation of all hours worked within the same retirement system

1 shall be used to determine eligibility under KRS 61.510(21).

2 (7) (a) Notwithstanding the provisions of subsection (2) of this section, a person who  
3 does not have the amount of service required for service retirement in the  
4 State Police Retirement System, Kentucky Employees Retirement System,  
5 County Employees Retirement System, Legislators' Retirement Plan, or  
6 Teachers' Retirement System, but who is a member of one (1) of the systems  
7 or is a former member of one (1) or more of the systems with valid service  
8 credit therein, shall become eligible for service retirement benefits attributable  
9 to the amount of his actual service credit in each system in which he has  
10 service credit when his combined service credit in all the systems, plus any  
11 service credit he has in the Judicial Retirement Plan, is equal to that required  
12 for service retirement in each respective system. The computation of benefits  
13 shall be based on the applicable formula in each system and service credit in  
14 each system, except that total service in all systems, unless prohibited by KRS  
15 161.623(2), shall be used to determine the reduction for early retirement, if  
16 any. Except as provided in KRS 21.360, the final compensation shall be  
17 determined by using the creditable compensation reported to the State Police  
18 Retirement System, Kentucky Employees Retirement System, County  
19 Employees Retirement System, Legislators' Retirement Plan, or Teachers'  
20 Retirement System and only as much of the compensation earned in the  
21 Judicial Retirement Plan as is needed to satisfy the final compensation  
22 requirement applicable in the respective retirement systems.

23 (b) Paragraph (a) of this subsection shall be waived if the member fails to  
24 simultaneously retire from all state-administered retirement systems in which  
25 the member has an account or fails to retire from any other systems not  
26 administered by Kentucky Retirement Systems within one (1) month of the  
27 member's effective retirement date in the systems administered by the



1 Kentucky Retirement Systems.

2 (8) Each retirement system from which the member retires shall pay a retirement  
3 allowance upon receipt of required forms and documents, except that no retirement  
4 system shall pay a retirement allowance or annuity until all forms and documents  
5 are filed at all retirement systems in compliance with each system's requirements.

6 ➔Section 3. The amendments to subsection (3)(b) of Section 1 of this Act shall  
7 only apply to any initial employment on or after the effective date of this Act in a  
8 nonhazardous position that is not considered a regular full-time position by those  
9 members who are simultaneously participating in a hazardous duty position as provided  
10 by KRS 61.592 that is considered a regular full-time position. For purposes of this  
11 section, "regular full-time position" shall have the same meaning as provided in KRS  
12 61.510(21) or 78.510(21).