

1 AN ACT relating to employment of part-time adjunct instructors for the Kentucky  
2 Fire Commission.

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

4 ➔Section 1. KRS 61.637 is amended to read as follows:

5 (1) A retired member who is receiving monthly retirement payments under any of the  
6 provisions of KRS 61.510 to 61.705 and 78.510 to 78.852 and who is reemployed  
7 as an employee by a participating agency prior to August 1, 1998, shall have his or  
8 her retirement payments suspended for the duration of reemployment. Monthly  
9 payments shall not be suspended for a retired member who is reemployed if he or  
10 she anticipates that he or she will receive less than the maximum permissible  
11 earnings as provided by the Federal Social Security Act in compensation as a result  
12 of reemployment during the calendar year. The payments shall be suspended at the  
13 beginning of the month in which the reemployment occurs.

14 (2) Employer and employee contributions shall be made as provided in KRS 61.510 to  
15 61.705 and 78.510 to 78.852 on the compensation paid during reemployment,  
16 except where monthly payments were not suspended as provided in subsection (1)  
17 of this section or would not increase the retired member's last monthly retirement  
18 allowance by at least one dollar (\$1), and the member shall be credited with  
19 additional service credit.

20 (3) In the month following the termination of reemployment, retirement allowance  
21 payments shall be reinstated under the plan under which the member was receiving  
22 payments prior to reemployment.

23 (4) (a) Notwithstanding the provisions of this section, the payments suspended in  
24 accordance with subsection (1) of this section shall be paid retroactively to the  
25 retired member, or his or her estate, if he or she does not receive more than the  
26 maximum permissible earnings as provided by the Federal Social Security Act  
27 in compensation from participating agencies during any calendar year of

1           reemployment.

2           (b) If the retired member is paid suspended payments retroactively in accordance  
3           with this section, employee contributions deducted during his or her period of  
4           reemployment, if any, shall be refunded to the retired employee, and no  
5           service credit shall be earned for the period of reemployment.

6           (c) If the retired member is not eligible to be paid suspended payments for his or  
7           her period of reemployment as an employee, his or her retirement allowance  
8           shall be recomputed under the plan under which the member was receiving  
9           payments prior to reemployment as follows:

10           1. The retired member's final compensation shall be recomputed using  
11           creditable compensation for his or her period of reemployment;  
12           however, the final compensation resulting from the recalculation shall  
13           not be less than that of the member when his or her retirement allowance  
14           was last determined;

15           2. If the retired member initially retired on or subsequent to his or her  
16           normal retirement date, his or her retirement allowance shall be  
17           recomputed by using the formula in KRS 61.595(1);

18           3. If the retired member initially retired prior to his or her normal  
19           retirement date, his or her retirement allowance shall be recomputed  
20           using the formula in KRS 61.595(2), except that the member's age used  
21           in computing benefits shall be his or her age at the time of his or her  
22           initial retirement increased by the number of months of service credit  
23           earned for service performed during reemployment;

24           4. The retirement allowance payments resulting from the recomputation  
25           under this subsection shall be payable in the month following the  
26           termination of reemployment in lieu of payments under subparagraph 3.  
27           of this paragraph. The member shall not receive less in benefits as a

1 result of the recomputation than he or she was receiving prior to  
2 reemployment or would receive as determined under KRS 61.691; and

3 5. Any retired member who was reemployed prior to March 26, 1974, shall  
4 begin making contributions to the system in accordance with the  
5 provisions of this section on the first day of the month following March  
6 26, 1974.

7 (5) A retired member, or his or her estate, shall pay to the retirement fund the total  
8 amount of payments which are not suspended in accordance with subsection (1) of  
9 this section if the member received more than the maximum permissible earnings as  
10 provided by the Federal Social Security Act in compensation from participating  
11 agencies during any calendar year of reemployment, except the retired member or  
12 his or her estate may repay the lesser of the total amount of payments which were  
13 not suspended or fifty cents (\$0.50) of each dollar earned over the maximum  
14 permissible earnings during reemployment if under age sixty-five (65), or one dollar  
15 (\$1) for every three dollars (\$3) earned if over age sixty-five (65).

16 (6) (a) "Reemployment" or "reinstatement" as used in this section shall not include a  
17 retired member who has been ordered reinstated by the Personnel Board under  
18 authority of KRS 18A.095.

19 (b) A retired member who has been ordered reinstated by the Personnel Board  
20 under authority of KRS 18A.095 or by court order or by order of the Human  
21 Rights Commission and accepts employment by an agency participating in the  
22 Kentucky Employees Retirement System or County Employees Retirement  
23 System shall void his or her retirement by reimbursing the system in the full  
24 amount of his or her retirement allowance payments received.

25 (7) (a) Effective August 1, 1998, the provisions of subsections (1) to (4) of this  
26 section shall no longer apply to a retired member who is reemployed in a  
27 position covered by the same retirement system from which the member

1           retired. Reemployed retired members shall be treated as new members upon  
2           reemployment. Any retired member whose reemployment date preceded  
3           August 1, 1998, who does not elect, within sixty (60) days of notification by  
4           the retirement systems, to remain under the provisions of subsections (1) to  
5           (4) of this section shall be deemed to have elected to participate under this  
6           subsection.

7           (b) A retired member whose disability retirement was discontinued pursuant to  
8           KRS 61.615 and who is reemployed in one (1) of the systems administered by  
9           the Kentucky Retirement Systems or County Employees Retirement System  
10          prior to his or her normal retirement date shall have his or her accounts  
11          combined upon termination for determining eligibility for benefits. If the  
12          member is eligible for retirement, the member's service and creditable  
13          compensation earned as a result of his or her reemployment shall be used in  
14          the calculation of benefits, except that the member's final compensation shall  
15          not be less than the final compensation last used in determining his or her  
16          retirement allowance. The member shall not change beneficiary or payment  
17          option designations. This provision shall apply to members reemployed on or  
18          after August 1, 1998.

19          (8) If a retired member accepts employment or begins serving as a volunteer with an  
20          employer participating in the systems administered by Kentucky Retirement  
21          Systems or County Employees Retirement System within twelve (12) months of his  
22          or her retirement date, the retired member shall notify the Authority and the  
23          participating employer shall submit the information required or requested by the  
24          Authority to confirm the individual's employment or volunteer status. The retired  
25          member shall not be required to notify the Authority regarding any employment or  
26          volunteer service with a participating agency that is accepted after twelve (12)  
27          months following his or her retirement date.

- 1 (9) If the retired member is under a contract to provide services as an independent  
2 contractor or leased employee to an employer participating in the systems  
3 administered by Kentucky Retirement Systems or County Employees Retirement  
4 System within twelve (12) months of his or her retirement date, the member shall  
5 submit a copy of that contract to the Authority, and the Authority shall determine if  
6 the member is an independent contractor or leased employee for purposes of  
7 retirement benefits. The retired member and the participating employer shall submit  
8 the information required or requested by the Authority to confirm the individual's  
9 status as an independent contractor or leased employee. The retired member shall  
10 not be required to notify the Authority regarding any services entered into as an  
11 independent contractor or leased employee with a participating agency that the  
12 employee enters into after twelve (12) months following his or her retirement date.
- 13 (10) If a member is receiving a retirement allowance, or has filed the forms required for  
14 a retirement allowance, and is employed within one (1) month of the member's  
15 initial retirement date in a position that is required to participate in the same  
16 retirement system from which the member retired, the member's retirement shall be  
17 voided and the member shall repay to the retirement system all benefits received.  
18 The member shall contribute to the member account established for him or her prior  
19 to his or her voided retirement. The retirement allowance for which the member  
20 shall be eligible upon retirement shall be determined by total service and creditable  
21 compensation.
- 22 (11) (a) If a member of the Kentucky Employees Retirement System retires from a  
23 department which participates in more than one (1) retirement system and is  
24 reemployed within one (1) month of his or her initial retirement date by the  
25 same department in a position participating in another retirement system, the  
26 retired member's retirement allowance shall be suspended for the first month  
27 of his or her retirement, and the member shall repay to the retirement system

1 all benefits received for the month.

2 (b) A retired member of the County Employees Retirement System who after  
3 initial retirement is hired by the county from which the member retired shall  
4 be considered to have been hired by the same employer.

5 (12) (a) If a hazardous member who retired prior to age fifty-five (55), or a  
6 nonhazardous member who retired prior to age sixty-five (65), is reemployed  
7 within six (6) months of the member's termination by the same employer, the  
8 member shall obtain from his or her previous and current employers a copy of  
9 the job description established by the employers for the position and a  
10 statement of the duties performed by the member for the position from which  
11 he or she retired and for the position in which he or she has been reemployed.

12 (b) The job descriptions and statements of duties shall be filed with the retirement  
13 office.

14 (13) If the retirement system determines that the retired member has been employed in a  
15 position with the same principal duties as the position from which the member  
16 retired:

17 (a) The member's retirement allowance shall be suspended during the period that  
18 begins on the month in which the member is reemployed and ends six (6)  
19 months after the member's termination;

20 (b) The retired member shall repay to the retirement system all benefits paid from  
21 systems administered by Kentucky Retirement Systems or County Employees  
22 Retirement System under reciprocity, including medical insurance benefits,  
23 that the member received after reemployment began;

24 (c) Upon termination, or subsequent to expiration of the six (6) month period  
25 from the date of termination, the retired member's retirement allowance based  
26 on his or her initial retirement account shall no longer be suspended, and the  
27 member shall receive the amount to which he or she is entitled, including an

- 1           increase as provided by KRS 61.691;
- 2           (d) Except as provided in subsection (7) of this section, if the position in which a  
3           retired member is employed after initial retirement is a regular full-time  
4           position, the retired member shall contribute to a second member account  
5           established for him or her in the retirement system. Service credit gained after  
6           the member's date of reemployment shall be credited to the second member  
7           account; and
- 8           (e) Upon termination, the retired member shall be entitled to benefits payable  
9           from his or her second retirement account.
- 10       (14) (a) If the retirement system determines that the retired member has not been  
11           reemployed in a position with the same principal duties as the position from  
12           which he or she retired, the retired member shall continue to receive his or her  
13           retirement allowance.
- 14           (b) If the position is a regular full-time position, the member shall contribute to a  
15           second member account in the retirement system.
- 16       (15) (a) If a retired member is reemployed at least one (1) month after initial  
17           retirement in a different position, or at least six (6) months after initial  
18           retirement in the same position, and prior to normal retirement age, the retired  
19           member shall contribute to a second member account in the retirement system  
20           and continue to receive a retirement allowance from the first member account.
- 21           (b) Service credit gained after reemployment shall be credited to the second  
22           member account. Upon termination, the retired member shall be entitled to  
23           benefits payable from the second member account.
- 24       (16) A retired member who is reemployed and contributing to a second member account  
25           shall not be eligible to purchase service credit under any of the provisions of KRS  
26           16.505 to 16.652, 61.510 to 61.705, or 78.510 to 78.852 which he or she was  
27           eligible to purchase prior to his or her initial retirement.

1 (17) Notwithstanding any provision of subsections (1) to (7)(a) and (10) to (15) of this  
2 section, the following shall apply to retired members who are reemployed by an  
3 agency participating in one (1) of the systems administered by Kentucky Retirement  
4 Systems or County Employees Retirement System on or after September 1, 2008:

5 (a) Except as provided by paragraphs (c) and (d) of this subsection, if a member is  
6 receiving a retirement allowance from one (1) of the systems administered by  
7 Kentucky Retirement Systems or County Employees Retirement System, or  
8 has filed the forms required to receive a retirement allowance from one (1) of  
9 the systems administered by Kentucky Retirement Systems or County  
10 Employees Retirement System, and is employed in a regular full-time position  
11 required to participate in one (1) of the systems administered by Kentucky  
12 Retirement Systems or County Employees Retirement System or is employed  
13 in a position that is not considered regular full-time with an agency  
14 participating in one (1) of the systems administered by Kentucky Retirement  
15 Systems or County Employees Retirement System within three (3) months  
16 following the member's initial retirement date, the member's retirement shall  
17 be voided, and the member shall repay to the retirement system all benefits  
18 received, including any health insurance benefits. If the member is returning  
19 to work in a regular full-time position required to participate in one (1) of the  
20 systems administered by Kentucky Retirement Systems:

- 21 1. The member shall contribute to a member account established for him or  
22 her in one (1) of the systems administered by Kentucky Retirement  
23 Systems or County Employees Retirement System, and employer  
24 contributions shall be paid on behalf of the member by the participating  
25 employer; and
- 26 2. Upon subsequent retirement, the member shall be eligible for a  
27 retirement allowance based upon total service and creditable



1 compensation, including any additional service or creditable  
2 compensation earned after his or her initial retirement was voided;

3 (b) Except as provided by paragraphs (c) and (d) of this subsection, if a member is  
4 receiving a retirement allowance from one (1) of the systems administered by  
5 Kentucky Retirement Systems or County Employees Retirement System and  
6 is employed in a regular full-time position required to participate in one (1) of  
7 the systems administered by Kentucky Retirement Systems or County  
8 Employees Retirement System after a three (3) month period following the  
9 member's initial retirement date, the member may continue to receive his or  
10 her retirement allowance during the period of reemployment subject to the  
11 following provisions:

12 1. If a member is reemployed by a participating agency within twelve (12)  
13 months of the member's retirement date, the participating agency shall  
14 certify in writing on a form prescribed by the Authority that no  
15 prearranged agreement existed between the employee and agency prior  
16 to the employee's retirement for the employee to return to work with the  
17 participating agency. If an elected official is reelected to a new term of  
18 office in the same position and has retired from the elected office within  
19 twelve (12) months prior to taking the new term of office, he or she shall  
20 be deemed by the system as having a prearranged agreement under the  
21 provisions of this subparagraph and shall have his or her retirement  
22 voided. If the participating agency fails to complete the certification, the  
23 member's retirement shall be voided and the provisions of paragraph (a)  
24 of this subsection shall apply to the member and the employer.  
25 Employment that is accepted by the retired member after twelve (12)  
26 months following the member's retirement date shall not constitute a  
27 prearranged agreement under this paragraph;

- 1           2. Notwithstanding any other provision of KRS Chapter 16, 61, or 78 to  
2           the contrary, the member shall not contribute to the systems and shall  
3           not earn any additional benefits for any work performed during the  
4           period of reemployment;
- 5           3. Except as provided by KRS 70.291 to 70.293, 95.022, and 164.952 and  
6           except for any retiree employed as a school resource officer as defined  
7           by KRS 158.441, the employer shall pay employer contributions as  
8           specified by KRS 61.565, 61.702, and 78.635, as applicable, on all  
9           creditable compensation earned by the employee during the period of  
10          reemployment. The additional contributions paid shall be used to reduce  
11          the unfunded actuarial liability of the systems; and
- 12          4. Except as provided by KRS 70.291 to 70.293, 95.022, and 164.952 and  
13          except for any retiree employed as a school resource officer as defined  
14          by KRS 158.441, the employer shall be required to reimburse the  
15          systems for the cost of the health insurance premium paid by the systems  
16          to provide coverage for the retiree, not to exceed the cost of the single  
17          premium. Effective July 1, 2015, local school boards shall not be  
18          required to pay the reimbursement required by this subparagraph for  
19          retirees employed by the board for eighty (80) days or less during the  
20          fiscal year;
- 21          (c) If a member is receiving a retirement allowance from the State Police  
22          Retirement System or from hazardous duty retirement coverage with the  
23          Kentucky Employees Retirement System or the County Employees Retirement  
24          System, or has filed the forms required to receive a retirement allowance from  
25          the State Police Retirement System or from hazardous duty retirement  
26          coverage with the Kentucky Employees Retirement System or the County  
27          Employees Retirement System, and is employed in a regular full-time position

1 required to participate in the State Police Retirement System or in a hazardous  
2 duty position with the Kentucky Employees Retirement System or the County  
3 Employees Retirement System within one (1) month following the member's  
4 initial retirement date, the member's retirement shall be voided, and the  
5 member shall repay to the retirement system all benefits received, including  
6 any health insurance benefits. If the member is returning to work in a regular  
7 full-time position required to participate in one (1) of the systems  
8 administered by Kentucky Retirement Systems or County Employees  
9 Retirement System:

- 10 1. The member shall contribute to a member account established for him or  
11 her in one (1) of the systems administered by Kentucky Retirement  
12 Systems or County Employees Retirement System, and employer  
13 contributions shall be paid on behalf of the member by the participating  
14 employer; and
- 15 2. Upon subsequent retirement, the member shall be eligible for a  
16 retirement allowance based upon total service and creditable  
17 compensation, including any additional service or creditable  
18 compensation earned after his or her initial retirement was voided;

19 (d) If a member is receiving a retirement allowance from the State Police  
20 Retirement System or from hazardous duty retirement coverage with the  
21 Kentucky Employees Retirement System or the County Employees Retirement  
22 System and is employed in a regular full-time position required to participate  
23 in the State Police Retirement System or in a hazardous duty position with the  
24 Kentucky Employees Retirement System or the County Employees Retirement  
25 System after a one (1) month period following the member's initial retirement  
26 date, the member may continue to receive his or her retirement allowance  
27 during the period of reemployment subject to the following provisions:

- 1           1.    If a member is reemployed by a participating agency within twelve (12)  
2                    months of the member's retirement date, the participating agency shall  
3                    certify in writing on a form prescribed by the Authority that no  
4                    prearranged agreement existed between the employee and agency prior  
5                    to the employee's retirement for the employee to return to work with the  
6                    participating agency. If an elected official is reelected to a new term of  
7                    office in the same position and has retired from the elected office within  
8                    twelve (12) months prior to taking the new term of office, he or she shall  
9                    be deemed by the Authority as having a prearranged agreement under  
10                   the provisions of this subparagraph and shall have his or her retirement  
11                   voided. If the participating agency fails to complete the certification, the  
12                   member's retirement shall be voided and the provisions of paragraph (c)  
13                   of this subsection shall apply to the member and the employer.  
14                   Employment that is accepted by the retired member after twelve (12)  
15                   months following the member's retirement date shall not constitute a  
16                   prearranged agreement under this paragraph;
- 17           2.    Notwithstanding any other provision of KRS Chapter 16, 61, or 78 to  
18                   the contrary, the member shall not contribute to the systems and shall  
19                   not earn any additional benefits for any work performed during the  
20                   period of reemployment;
- 21           3.    Except as provided by KRS 70.291 to 70.293, 95.022, and 164.952 and  
22                   except for any retiree employed as a school resource officer as defined  
23                   by KRS 158.441, the employer shall pay employer contributions as  
24                   specified by KRS 61.565, 61.702, and 78.635, as applicable, on all  
25                   creditable compensation earned by the employee during the period of  
26                   reemployment. The additional contributions paid shall be used to reduce  
27                   the unfunded actuarial liability of the systems;

- 1           4. Except as provided by KRS 70.291 to 70.293, 95.022, and 164.952 and  
2           except for any retiree employed as a school resource officer as defined  
3           by KRS 158.441, the employer shall be required to reimburse the  
4           systems for the cost of the health insurance premium paid by the systems  
5           to provide coverage for the retiree, not to exceed the cost of the single  
6           premium;
- 7           (e) Notwithstanding paragraphs (a) to (d) of this subsection, a retired member  
8           who qualifies as a volunteer for an employer participating in one (1) of the  
9           systems administered by Kentucky Retirement Systems or County Employees  
10          Retirement System and who is receiving reimbursement of actual expenses, a  
11          nominal fee for his or her volunteer services, or both, shall not be considered  
12          an employee of the participating employer and shall not be subject to  
13          paragraphs (a) to (d) of this subsection if:
- 14          1. Prior to the retired member's most recent retirement date, he or she did  
15          not receive creditable compensation from the participating employer in  
16          which the retired member is performing volunteer services;
- 17          2. Any reimbursement or nominal fee received prior to the retired  
18          member's most recent retirement date has not been credited as creditable  
19          compensation to the member's account or utilized in the calculation of  
20          the retired member's benefits;
- 21          3. The retired member has not purchased or received service credit under  
22          any of the provisions of KRS 61.510 to 61.705 or 78.510 to 78.852 for  
23          service with the participating employer for which the retired member is  
24          performing volunteer services; and
- 25          4. Other than the status of volunteer, the retired member does not become  
26          an employee, leased employee, or independent contractor of the  
27          employer for which he or she is performing volunteer services for a

1           period of at least twelve (12) months following the retired member's  
2           most recent retirement date.

3           If a retired member, who provided volunteer services with a participating  
4           employer under this paragraph violates any provision of this paragraph, then  
5           he or she shall be deemed an employee of the participating employer as of the  
6           date he or she began providing volunteer services and both the retired member  
7           and the participating employer shall be subject to paragraphs (a) to (d) of this  
8           subsection for the period of volunteer service;

9           (f) Notwithstanding any provision of this section, any mayor or member of a city  
10          legislative body shall not be required to resign from his or her position as  
11          mayor or as a member of the city legislative body in order to begin drawing  
12          benefits from the systems administered by Kentucky Retirement Systems or  
13          subject to any provision of this section as it relates solely to his or her service  
14          as a mayor or member of the city legislative body if the mayor or member of a  
15          city legislative body:

16          1. Has not participated in the County Employees Retirement System prior  
17          to retirement, but is otherwise eligible to retire from the Kentucky  
18          Employees Retirement System or the State Police Retirement System; or  
19          2. Has been or is participating in the County Employees Retirement System  
20          and is at least sixty-two (62) years of age. If a mayor or member of a city  
21          legislative body who is at least sixty-two (62) years of age retires from  
22          the systems administered by Kentucky Retirement Systems but remains  
23          in office after his or her effective retirement date, the mayor or member  
24          of the city legislative body shall not accrue any further service credit or  
25          benefits in the systems administered by Kentucky Retirement Systems  
26          for any employment occurring on or after the effective retirement date;

27          (g) **Notwithstanding any provision of this section, any current or future part-**

1 *time adjunct instructor for the Kentucky Fire Commission who has not*  
 2 *participated in the Kentucky Employees Retirement System prior to*  
 3 *retirement, but who is otherwise eligible to retire from the County*  
 4 *Employees Retirement System, shall not be:*

- 5 *1. Required to resign from his or her position as a part-time adjunct*  
 6 *instructor for the Kentucky Fire Commission in order to begin*  
 7 *drawing benefits from the County Employees Retirement System; or*  
 8 *2. Subject to any provision of this section as it relates solely to his or her*  
 9 *service as a part-time adjunct instructor for the Kentucky Fire*  
 10 *Commission;*

11 **(h)** If a member is receiving a retirement allowance from any of the retirement  
 12 systems administered by the Kentucky Retirement Systems or County  
 13 Employees Retirement System and enters into a contract or becomes a leased  
 14 employee of an employer under contract with an employer participating in one  
 15 (1) of the systems administered by the Kentucky Retirement Systems or  
 16 County Employees Retirement System:

- 17 1. At any time following retirement, if the Authority determines the  
 18 employment arrangement does qualify as an independent contractor or  
 19 leased employee, the member may continue to receive his or her  
 20 retirement allowance during the period of the contract;  
 21 2. Within three (3) months following the member's initial retirement date,  
 22 if the Authority determines the employment arrangement does not  
 23 qualify as an independent contractor or leased employee, the member's  
 24 retirement shall be voided in accordance with paragraph (a) of this  
 25 subsection;  
 26 3. After three (3) months but within twelve (12) months following the  
 27 member's initial retirement, if the Authority determines the employment

1 arrangement does not qualify as an independent contractor or leased  
 2 employee and that a prearranged agreement existed between the member  
 3 and the agency for the member to return to work with the agency, the  
 4 member's retirement shall be voided in accordance with paragraph (a) of  
 5 this subsection; and

6 4. After a twelve (12) month period following the member's initial  
 7 retirement, the member may continue to receive his or her retirement  
 8 allowance during the period of the contract and the member shall not be  
 9 required to notify the system or submit any documentation for purposes  
 10 of this section to the system.

11 The initiation of a contract or the initial date of the leased employment of a  
 12 retired member by a participating agency that occurs after twelve (12) months  
 13 or more following the retired member's retirement date shall not constitute a  
 14 prearranged agreement under this subsection; and

15 ~~(i)(h)~~ The Authority shall issue a final determination regarding a certification  
 16 of the absence of a prearranged agreement or the retired member's  
 17 qualification as an independent contractor or leased employee as required  
 18 under this section no later than thirty (30) days after the retired member and  
 19 participating employer provide all required forms and additional information  
 20 required by the Authority.

21 (18) The Authority shall promulgate administrative regulations to implement the  
 22 requirements of this section, including incorporating by reference board-prescribed  
 23 forms that a retired member and participating agency shall provide the systems  
 24 under subsections (8), (9), and (17) of this section.

25 ➔Section 2. KRS 78.5540 is amended to read as follows:

26 (1) A retired member whose disability retirement was discontinued pursuant to KRS  
 27 78.5528 and who is reemployed by an employer participating in the system or the



1 Kentucky Retirement Systems prior to his or her normal retirement date shall have  
2 his or her accounts combined upon termination for determining eligibility for  
3 benefits. If the member is eligible for retirement, the member's service and  
4 creditable compensation earned as a result of his or her reemployment shall be used  
5 in the calculation of benefits, except that the member's final compensation shall not  
6 be less than the final compensation last used in determining his or her retirement  
7 allowance. The member shall not change beneficiary or payment option  
8 designations.

9 (2) (a) If a retired member accepts employment or begins serving as a volunteer with  
10 an employer participating in the systems administered by Kentucky  
11 Retirement Systems or the County Employees Retirement System within  
12 twelve (12) months of his or her retirement date, the retired member shall  
13 notify the Authority and the participating employer shall submit the  
14 information required or requested by the Authority to confirm the individual's  
15 employment or volunteer status. The retired member shall not be required to  
16 notify the Authority regarding any employment or volunteer service with a  
17 participating agency that is accepted after twelve (12) months following his or  
18 her retirement date.

19 (b) If the retired member is under a contract to provide services as an independent  
20 contractor or leased employee to an employer participating in the systems  
21 administered by Kentucky Retirement Systems or the County Employees  
22 Retirement System within twelve (12) months of his or her retirement date,  
23 the member shall submit a copy of that contract to the Authority, and the  
24 Authority shall determine if the member is an independent contractor or leased  
25 employee for purposes of retirement benefits. The retired member and the  
26 participating employer shall submit the information required or requested by  
27 the Authority to confirm the individual's status as an independent contractor or

1 leased employee. The retired member shall not be required to notify the  
2 Authority regarding any services entered into as an independent contractor or  
3 leased employee with a participating agency that the employee enters into  
4 after twelve (12) months following his or her retirement date.

5 (3) Retired members of the County Employees Retirement System who returned to  
6 work with an employer that participates in the County Employees Retirement  
7 System or Kentucky Retirement Systems prior to September 1, 2008, shall be  
8 governed by the provisions of KRS 61.637(1) to (16).

9 (4) The following shall apply to retired members of the County Employees Retirement  
10 System who are reemployed on or after September 1, 2008, by an agency  
11 participating in the systems administered by the County Employees Retirement  
12 System or the Kentucky Retirement Systems:

13 (a) Except as provided by paragraphs (c) and (d) of this subsection, if a retired  
14 member is receiving a retirement allowance from the County Employees  
15 Retirement System, or has filed the forms required to receive a retirement  
16 allowance from the County Employees Retirement System, and is employed in  
17 a regular full-time position required to participate in the County Employees  
18 Retirement System or the Kentucky Retirement Systems or is employed in a  
19 position that is not considered regular full-time with an employer participating  
20 in the County Employees Retirement System or the Kentucky Retirement  
21 Systems within three (3) months following the member's initial retirement  
22 date, the member's retirement shall be voided, and the member shall repay to  
23 the system all benefits received, including any health insurance benefits. If the  
24 retired member is returning to work in a regular full-time position required to  
25 participate in the County Employees Retirement System:

26 1. The member shall contribute to a member account established for him or  
27 her in the County Employees Retirement System or the Kentucky

1 Retirement Systems, and employer contributions shall be paid on behalf  
2 of the member by the participating employer to the system; and

3 2. Upon subsequent retirement, the member shall be eligible for a  
4 retirement allowance based upon total service and creditable  
5 compensation, including any additional service or creditable  
6 compensation earned after his or her initial retirement was voided;

7 (b) Except as provided by paragraphs (c) and (d) of this subsection, if a retired  
8 member is receiving a retirement allowance from the County Employees  
9 Retirement System and is employed in a regular full-time position required to  
10 participate in the County Employees Retirement System or the Kentucky  
11 Retirement Systems after a three (3) month period following the member's  
12 initial retirement date, the member may continue to receive his or her  
13 retirement allowance during the period of reemployment subject to the  
14 following provisions:

15 1. If a member is reemployed by a participating employer within twelve  
16 (12) months of the member's retirement date, the participating employer  
17 shall certify in writing on a form prescribed by the Authority that no  
18 prearranged agreement existed between the employee and employer  
19 prior to the employee's retirement for the employee to return to work  
20 with the participating employer. If the participating employer fails to  
21 complete the certification or the Authority determines a prearranged  
22 agreement exists, the member's retirement shall be voided and the  
23 provisions of paragraph (a) of this subsection shall apply to the member  
24 and the employer. For purposes of this paragraph:

25 a. If an elected official is reelected to a new term of office in the  
26 same position and has retired from the elected office within twelve  
27 (12) months prior to taking the new term of office, he or she shall

1 be deemed by the Authority as having a prearranged agreement;  
2 and

3 b. Employment that is accepted by the retired member after twelve  
4 (12) months following the member's retirement date shall not  
5 constitute a prearranged agreement under this paragraph;

6 2. Notwithstanding any other provision of KRS Chapter 78 to the contrary,  
7 the member shall not contribute to the system and shall not earn any  
8 additional benefits for any work performed during the period of  
9 reemployment;

10 3. Except as provided by KRS 70.291 to 70.293, 95.022, and 164.952 and  
11 except for any retiree employed as a school resource officer as defined  
12 by KRS 158.441, the employer shall pay employer contributions as  
13 specified by KRS 78.5536 and 78.635 on all creditable compensation  
14 earned by the employee during the period of reemployment. The  
15 additional contributions paid shall be used to reduce the unfunded  
16 actuarial liability of the system; and

17 4. Except as provided by KRS 70.291 to 70.293, 95.022, and 164.952 and  
18 except for any retiree employed as a school resource officer as defined  
19 by KRS 158.441, the employer shall be required to reimburse the system  
20 for the cost of the health insurance premium paid by the system to  
21 provide coverage for the retiree, not to exceed the cost of the single  
22 premium. Effective July 1, 2015, local school boards shall not be  
23 required to pay the reimbursement required by this subparagraph for  
24 retirees employed by the board for eighty (80) days or less during the  
25 fiscal year;

26 (c) If a member is receiving a retirement allowance from hazardous position  
27 coverage with the County Employees Retirement System, or has filed the

1 forms required to receive a retirement allowance from the County Employees  
2 Retirement System for service in a hazardous position, and is employed in a  
3 regular full-time hazardous position required to participate in the County  
4 Employees Retirement System or the Kentucky Retirement Systems within  
5 one (1) month following the member's initial retirement date, the member's  
6 retirement shall be voided, and the member shall repay to the system all  
7 benefits received, including any health insurance benefits. If the member is  
8 returning to work in a regular full-time position required to participate in the  
9 County Employees Retirement System or the Kentucky Retirement Systems:

- 10 1. The member shall contribute to a member account established for him or  
11 her in the County Employees Retirement System or the Kentucky  
12 Retirement Systems, and employer contributions shall be paid on behalf  
13 of the member by the participating employer; and
- 14 2. Upon subsequent retirement, the member shall be eligible for a  
15 retirement allowance based upon total service and creditable  
16 compensation, including any additional service or creditable  
17 compensation earned after his or her initial retirement was voided;

18 (d) If a member is receiving a retirement allowance from the hazardous position  
19 coverage with the County Employees Retirement System and is employed in a  
20 regular full-time hazardous position required to participate in the County  
21 Employees Retirement System or the Kentucky Retirement Systems after a  
22 one (1) month period following the member's initial retirement date, the  
23 member may continue to receive his or her retirement allowance during the  
24 period of reemployment subject to the following provisions:

- 25 1. If a member is reemployed by a participating employer within twelve  
26 (12) months of the member's retirement date, the participating employer  
27 shall certify in writing on a form prescribed by the Authority that no

- 1           prearranged agreement existed between the employee and employer  
2           prior to the employee's retirement for the employee to return to work  
3           with the participating employer. If the participating employer fails to  
4           complete the certification or the Authority determines a prearranged  
5           agreement exists, the member's retirement shall be voided and the  
6           provisions of paragraph (c) of this subsection shall apply to the member  
7           and the employer. For purposes of this paragraph:
- 8           a.    If an elected official is reelected to a new term of office in the  
9                same position and has retired from the elected office within twelve  
10              (12) months prior to taking the new term of office, he or she shall  
11              be deemed by the system as having a prearranged agreement; and
- 12           b.    Employment that is accepted by the retired member after twelve  
13              (12) months following the member's retirement date shall not  
14              constitute a prearranged agreement under this paragraph;
- 15           2.    Notwithstanding any other provision of KRS Chapter 78 to the contrary,  
16                the member shall not contribute to the system or the Kentucky  
17                Retirement Systems and shall not earn any additional benefits for any  
18                work performed during the period of reemployment;
- 19           3.    Except as provided by KRS 70.291 to 70.293, 95.022, and 164.952 and  
20                except for any retiree employed as a school resource officer as defined  
21                by KRS 158.441, the employer shall pay employer contributions as  
22                specified by KRS 78.5536 and 78.635 on all creditable compensation  
23                earned by the employee during the period of reemployment. The  
24                additional contributions paid shall be used to reduce the unfunded  
25                actuarial liability of the system; and
- 26           4.    Except as provided by KRS 70.291 to 70.293, 95.022, and 164.952 and  
27                except for any retiree employed as a school resource officer as defined

1                   by KRS 158.441, the employer shall be required to reimburse the system  
2                   for the cost of the health insurance premium paid by the system to  
3                   provide coverage for the retiree, not to exceed the cost of the single  
4                   premium;

5           (e) Notwithstanding paragraphs (a) to (d) of this subsection, a retired member  
6           who qualifies as a volunteer for an employer participating in the County  
7           Employees Retirement System or the Kentucky Retirement Systems and who  
8           is receiving reimbursement of actual expenses, a nominal fee for his or her  
9           volunteer services, or both, shall not be considered an employee of the  
10           participating employer and shall not be subject to paragraphs (a) to (d) of this  
11           subsection if:

- 12           1. Prior to the retired member's most recent retirement date, he or she did  
13           not receive creditable compensation from the participating employer in  
14           which the retired member is performing volunteer services;
- 15           2. Any reimbursement or nominal fee received prior to the retired  
16           member's most recent retirement date has not been credited as creditable  
17           compensation to the member's account or utilized in the calculation of  
18           the retired member's benefits;
- 19           3. The retired member has not purchased or received service credit under  
20           any of the provisions of KRS 78.510 to 78.852 for service with the  
21           participating employer for which the retired member is performing  
22           volunteer services; and
- 23           4. Other than the status of volunteer, the retired member does not become  
24           an employee, leased employee, or independent contractor of the  
25           employer for which he or she is performing volunteer services for a  
26           period of at least twelve (12) months following the retired member's  
27           most recent retirement date.

1           If a retired member, who provided volunteer services with a participating  
2           employer under this paragraph violates any provision of this paragraph, then  
3           he or she shall be deemed an employee of the participating employer as of the  
4           date he or she began providing volunteer services and both the retired member  
5           and the participating employer shall be subject to paragraphs (a) to (d) of this  
6           subsection for the period of volunteer service;

7           (f) Notwithstanding any provision of this section, any mayor or member of a city  
8           legislative body shall not be required to resign from his or her position as  
9           mayor or as a member of the city legislative body in order to begin drawing  
10          benefits from the systems administered by the Kentucky Retirement Systems  
11          or the County Employees Retirement System or subject to any provision of  
12          this section as it relates solely to his or her service as a mayor or member of  
13          the city legislative body, if the mayor or member of a city legislative body:

14          1. Has not participated in the County Employees Retirement System prior  
15          to retirement, but is otherwise eligible to retire from the Kentucky  
16          Employees Retirement System or the State Police Retirement System; or  
17          2. Has been or is participating in the County Employees Retirement System  
18          and is at least sixty-two (62) years of age. If a mayor or member of a city  
19          legislative body who is at least sixty-two (62) years of age retires from  
20          the systems administered by Kentucky Retirement Systems or the  
21          County Employees Retirement System but remains in office after his or  
22          her effective retirement date, the mayor or member of the city legislative  
23          body shall not accrue any further service credit or benefits in the systems  
24          administered by Kentucky Retirement Systems or the County Employees  
25          Retirement System for any employment occurring on or after the  
26          effective retirement date;

27          (g) **Notwithstanding any provision of this section, any current or future part-**



1 *time adjunct instructor for the Kentucky Fire Commission who has not*  
 2 *participated in the Kentucky Employees Retirement System prior to*  
 3 *retirement, but who is otherwise eligible to retire from the County*  
 4 *Employees Retirement System, shall not be:*

- 5 *1. Required to resign from his or her position as a part-time adjunct*  
 6 *instructor for the Kentucky Fire Commission in order to begin*  
 7 *drawing benefits from the County Employees Retirement System; or*  
 8 *2. Subject to any provision of this section as it relates solely to his or her*  
 9 *service as a part-time adjunct instructor for the Kentucky Fire*  
 10 *Commission;*

11 **(h)** If a member is receiving a retirement allowance from the County Employees  
 12 Retirement System and enters into a contract or becomes a leased employee of  
 13 an employer under contract with an employer participating in the County  
 14 Employees Retirement System or the Kentucky Retirement Systems:

- 15 1. At any time following retirement, if the Authority determines the  
 16 employment arrangement does qualify as an independent contractor or  
 17 leased employee, the member may continue to receive his or her  
 18 retirement allowance during the period of the contract;
- 19 2. Within three (3) months following the member's initial retirement date,  
 20 if the Authority determines the employment arrangement does not  
 21 qualify as an independent contractor or leased employee, the member's  
 22 retirement shall be voided in accordance with paragraph (a) of this  
 23 subsection;
- 24 3. After three (3) months but within twelve (12) months following the  
 25 member's initial retirement, if the Authority determines the employment  
 26 arrangement does not qualify as an independent contractor or leased  
 27 employee and that a prearranged agreement existed between the member

1 and the agency for the member to return to work with the agency, the  
2 member's retirement shall be voided in accordance with paragraph (a) of  
3 this subsection; and

4 4. After a twelve (12) month period following the member's initial  
5 retirement, the member may continue to receive his or her retirement  
6 allowance during the period of the contract and the member shall not be  
7 required to notify the Authority or submit any documentation for  
8 purposes of this section to the Authority. The initiation of a contract or  
9 the initial date of the leased employment of a retired member by a  
10 participating agency that occurs after twelve (12) months or more  
11 following the retired member's retirement date shall not constitute a  
12 prearranged agreement under this subsection;

13 ~~(j)(h)~~ The Authority shall issue a final determination regarding a certification  
14 of the absence of a prearranged agreement or the retired member's  
15 qualification as an independent contractor or leased employee as required  
16 under this section no later than thirty (30) days after the retired member and  
17 participating employer provide all required forms and additional information  
18 required by the Authority; and

19 ~~(j)(i)~~ Retired members of one (1) of the systems administered by Kentucky  
20 Retirement Systems who are reemployed by an employer in the County  
21 Employees Retirement System on or after September 1, 2008, shall not be  
22 eligible to earn a second retirement account in the County Employees  
23 Retirement System for his or her service to the employer.

24 (5) The Authority shall promulgate administrative regulations to implement the  
25 requirements of this section, including incorporating by reference Authority-  
26 prescribed forms that a retired member and participating agency shall provide the  
27 systems under subsections (1) and (4) of this section.

1 (6) "Reemployment" or "reinstatement" as used in this section shall not include a  
2 retired member who has been ordered reinstated by the Personnel Board under  
3 authority of KRS 18A.095. A retired member who has been ordered reinstated by  
4 the Personnel Board under authority of KRS 18A.095 or by court order or by order  
5 of the Human Rights Commission and accepts employment by an agency  
6 participating in the Kentucky Employees Retirement System or County Employees  
7 Retirement System shall void his or her retirement by reimbursing the system in the  
8 full amount of his or her retirement allowance payments received.