

1 AN ACT relating to service credit for the Teachers' Retirement System and  
2 declaring an emergency.

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

4 ➔Section 1. KRS 161.500 is amended to read as follows:

5 (1) **(a)** At the close of each fiscal year, the retirement system shall add service credit  
6 to the account of each member who made contributions to his or her account  
7 during the year.

8 **(b)** Nonuniversity members are entitled to a full year of service credit if they have  
9 no more than five (5) unpaid days in a school or fiscal year under a contract  
10 requiring a work schedule of one hundred eighty-five (185) days or greater.

11 **(c)** University members are entitled to a full year of service credit if they have no  
12 more than five (5) unpaid days in a school or fiscal year under a contract  
13 requiring a work schedule of one hundred eighty (180) days or greater.

14 **(d) 1. A member who has more than the allowed number of unpaid days as**  
15 **specified in paragraph (b) or (c) of this subsection shall be allowed to**  
16 **recover up to a maximum of ten (10) of those days if the days were**  
17 **missed for the observance of religious holidays and the member**  
18 **submits a personal statement verifying the unpaid days were for the**  
19 **observance of religious holidays.**

20 **2. The number of days recovered shall be included in the number of days**  
21 **worked for service credit purposes.**

22 **3. The employer of a member recovering unpaid days under this**  
23 **paragraph shall assign duties and responsibilities for recovered days**  
24 **comparable to the duties and responsibilities of the member on a**  
25 **typical contract day.**

26 **(e)** In the event a member is paid for less than the required number of days for a  
27 full year of service credit, the member may purchase credit according to

1 administrative regulations established by the board of trustees.

2 (f) In no case shall more than one (1) year of service be credited for all service  
3 performed in one (1) fiscal year.

4 (g) Members who complete their employment contract prior to the close of a  
5 fiscal year and elect to retire prior to the close of a fiscal year shall have their  
6 service credit reduced by eight percent (8%) for each calendar month that the  
7 retirement becomes effective prior to July 1.

8 (2) Members who are employed and paid for less than the number of days required in  
9 their normal employment year shall be entitled to pro rata service credit for the  
10 fractional service. Such credit shall be based upon the number of days employed  
11 and the number of days in the member's annual employment agreement or normal  
12 employment year.

13 (3) Service credit may not exceed the ratio between the school or fiscal year and the  
14 number of months or fraction of a month the member is employed during that year.

15 (4) No service credit shall be granted in the Teachers' Retirement System for service  
16 that has been or will be used in qualifying for annuity benefit payments from  
17 another retirement system financed wholly or in part by public funds.

18 ➔Section 2. Whereas the General Assembly wants to acknowledge the diverse  
19 religions of the teachers employed in the Commonwealth and allow teachers to observe  
20 the holidays of their religions, an emergency is declared to exist, and this Act takes effect  
21 upon its passage and approval by the Governor or upon its otherwise becoming a law.