

1 AN ACT relating to the Kentucky Teachers' Retirement System.

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

3 ➔Section 1. KRS 16.198 is amended to read as follows:

4 The appointment, salary, benefits, and number of individuals employed as a Trooper R  
5 Class and CVE R class shall be as follows:

6 (1) The commissioner may appoint CVE R Class employees. CVE R Class employees  
7 shall serve on a contractual basis for a term of one (1) year, and the contract may be  
8 renewed annually, by agreement of the parties, for no more than nine (9) additional  
9 one (1) year terms. A CVE R Class employee shall be required to pass a physical  
10 fitness test every three (3) years.

11 (2) The commissioner may appoint Trooper R Class employees who shall serve on a  
12 contractual basis for a term of one (1) year. The contract may be renewed on an  
13 annual basis upon the agreement of both parties. A Trooper R Class employee shall  
14 be required to pass a physical fitness test every three (3) years.

15 (3) The compensation for Trooper R Class employees and CVE R Class employees  
16 shall be established by administrative regulation promulgated pursuant to KRS  
17 Chapter 13A.

18 (4) (a) All appointments of individuals employed as a Trooper R Class and CVE R  
19 Class shall be based upon agency need as determined by the commissioner.

20 (b) Work stations for individuals employed as a Trooper R Class and CVE R  
21 Class shall be determined by agency need with consideration given to the  
22 applicant's stated preference.

23 (c) Merit of individuals employed as a Trooper R Class and CVE R Class shall be  
24 determined by the applicant's work performance history.

25 (d) Fitness of individuals employed as a Trooper R Class and CVE R Class shall  
26 be determined by the applicant's ability to adhere to the agency standards set  
27 by the commissioner under this chapter.

- 1 (5) The number of individuals employed as a Trooper R Class and CVE R Class by the  
2 department shall not:
- 3 (a) Exceed one hundred (100); or  
4 (b) Be counted in the total employee cap for the department.
- 5 (6) All individuals employed as a Trooper R Class and CVE R Class shall be assigned  
6 the job duties of trooper or commercial vehicle enforcement officer and shall not be  
7 placed in any supervisory positions.
- 8 (7) Notwithstanding any provision of KRS 16.505 to 16.652, KRS 18A.005 to  
9 18A.228, and KRS 61.510 to 61.705 to the contrary:
- 10 (a) Individuals employed as a Trooper R Class and CVE R Class shall continue to  
11 receive all retirement and health insurance benefits provided by the systems  
12 administered by Kentucky Retirement Systems to which they were entitled  
13 upon retiring from the department as a commissioned officer under this  
14 chapter;
- 15 (b) Individuals employed as a Trooper R Class and CVE R Class shall not be  
16 eligible to receive health insurance coverage or benefits through the  
17 department and shall not be eligible to participate in the State Police  
18 Retirement System or the Kentucky Employees Retirement System; and
- 19 (c) The department shall not pay health insurance contributions to the state health  
20 insurance plan for individuals employed as a Trooper R Class or CVE R  
21 Class.
- 22 (8) The department shall promulgate administrative regulations, pursuant to KRS  
23 Chapter 13A, to establish vacation, bereavement, and sick leave for Trooper R  
24 Class and CVE R Class employees, at the same level as an officer with less than  
25 five (5) years of service, and holiday pay for Trooper R Class and CVE R Class  
26 employees.
- 27 (9) Individuals employed as a Trooper R Class or CVE R Class shall be employed on a

1 contractual basis and shall be provided due process pursuant to KRS 16.140 or  
2 16.192 for any disciplinary action imposed by the commissioner. A decision by the  
3 commissioner to not renew a contract shall not be considered a disciplinary action  
4 for purposes of this section.

5 (10) (a) The provisions of this section shall not eliminate or reduce any requirements  
6 under KRS 61.637 for the department to pay employer contributions to the  
7 retirement systems or to reimburse the retirement systems for the cost of  
8 retiree health, on any individual employed as a Trooper R Class or CVE R  
9 Class.

10 (b) Notwithstanding any other provision of statute to the contrary, for any  
11 contracts established or renewed for a person to serve as a Trooper R Class  
12 or CVE R Class under subsections (1) or (2) of this section on or after July  
13 1, 2027, the department shall pay a contribution to the Kentucky Employees  
14 Retirement System in the case of an individual under contract as a CVE R  
15 Class or the State Police Retirement System in the case of an individual  
16 under contract as a Trooper R Class, equal to the normal cost of the  
17 respective system as established in KRS 61.565 of the compensation paid to  
18 the individual contracted as a Trooper R Class or CVE R Class. The  
19 provisions of this paragraph shall not eliminate or reduce any obligations  
20 specified by paragraph (a) of this subsection.

21 ➔Section 2. KRS 61.637 is amended to read as follows:

22 (1) A retired member who is receiving monthly retirement payments under any of the  
23 provisions of KRS 61.510 to 61.705 and 78.510 to 78.852 and who is reemployed  
24 as an employee by a participating agency prior to August 1, 1998, shall have his or  
25 her retirement payments suspended for the duration of reemployment. Monthly  
26 payments shall not be suspended for a retired member who is reemployed if he or  
27 she anticipates that he or she will receive less than the maximum permissible

1 earnings as provided by the Federal Social Security Act in compensation as a result  
2 of reemployment during the calendar year. The payments shall be suspended at the  
3 beginning of the month in which the reemployment occurs.

4 (2) Employer and employee contributions shall be made as provided in KRS 61.510 to  
5 61.705 and 78.510 to 78.852 on the compensation paid during reemployment,  
6 except where monthly payments were not suspended as provided in subsection (1)  
7 of this section or would not increase the retired member's last monthly retirement  
8 allowance by at least one dollar (\$1), and the member shall be credited with  
9 additional service credit.

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

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

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

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

27 1. The retired member's final compensation shall be recomputed using

- 1           creditable compensation for his or her period of reemployment;  
2           however, the final compensation resulting from the recalculation shall  
3           not be less than that of the member when his or her retirement allowance  
4           was last determined;
- 5           2. If the retired member initially retired on or subsequent to his or her  
6           normal retirement date, his or her retirement allowance shall be  
7           recomputed by using the formula in KRS 61.595(1);
- 8           3. If the retired member initially retired prior to his or her normal  
9           retirement date, his or her retirement allowance shall be recomputed  
10          using the formula in KRS 61.595(2), except that the member's age used  
11          in computing benefits shall be his or her age at the time of his or her  
12          initial retirement increased by the number of months of service credit  
13          earned for service performed during reemployment;
- 14          4. The retirement allowance payments resulting from the recomputation  
15          under this subsection shall be payable in the month following the  
16          termination of reemployment in lieu of payments under subparagraph 3.  
17          of this paragraph. The member shall not receive less in benefits as a  
18          result of the recomputation than he or she was receiving prior to  
19          reemployment or would receive as determined under KRS 61.691; and
- 20          5. Any retired member who was reemployed prior to March 26, 1974, shall  
21          begin making contributions to the system in accordance with the  
22          provisions of this section on the first day of the month following March  
23          26, 1974.
- 24 (5) A retired member, or his or her estate, shall pay to the retirement fund the total  
25          amount of payments which are not suspended in accordance with subsection (1) of  
26          this section if the member received more than the maximum permissible earnings as  
27          provided by the Federal Social Security Act in compensation from participating

1 agencies during any calendar year of reemployment, except the retired member or  
2 his or her estate may repay the lesser of the total amount of payments which were  
3 not suspended or fifty cents (\$0.50) of each dollar earned over the maximum  
4 permissible earnings during reemployment if under age sixty-five (65), or one  
5 dollar (\$1) for every three dollars (\$3) earned if over age sixty-five (65).

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

9 (b) 1. A retired member who has been ordered reinstated without loss of pay  
10 by the Personnel Board under authority of KRS 18A.095 or by court  
11 order or by order of the Kentucky Commission on Human Rights and  
12 accepts employment by an agency participating in the Kentucky  
13 Employees Retirement System, State Police Retirement System, or  
14 County Employees Retirement System shall void his or her retirement  
15 by reimbursing the system in the full amount of his or her retirement  
16 allowance payments received, including any health insurance benefits  
17 paid to or on behalf of the member.

18 2. Within twelve (12) months of the date of the final order of the Personnel  
19 Board, the Kentucky Commission on Human Rights, or the court, the  
20 member shall repay the system the full amount of his or her retirement  
21 allowance payments and health insurance benefits by lump sum or enter  
22 into an agreement with the Authority for repayment by installments.

23 3. Once the system has been fully reimbursed for the benefits paid to the  
24 member and on the member's behalf, additional contributions and  
25 service credit based on the reinstated employment shall be added to the  
26 member's account.

27 (7) (a) Effective August 1, 1998, the provisions of subsections (1) to (4) of this

1 section shall no longer apply to a retired member who is reemployed in a  
2 position covered by the same retirement system from which the member  
3 retired. Reemployed retired members shall be treated as new members upon  
4 reemployment. Any retired member whose reemployment date preceded  
5 August 1, 1998, who does not elect, within sixty (60) days of notification by  
6 the retirement systems, to remain under the provisions of subsections (1) to  
7 (4) of this section shall be deemed to have elected to participate under this  
8 subsection.

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

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

1 volunteer service with a participating agency that is accepted after twelve (12)  
2 months following his or her retirement date.

3 (9) If the retired member is under a contract to provide services as an independent  
4 contractor or leased employee to an employer participating in the systems  
5 administered by Kentucky Retirement Systems or County Employees Retirement  
6 System within twelve (12) months of his or her retirement date, the member shall  
7 submit a copy of that contract to the Authority, and the Authority shall determine if  
8 the member is an independent contractor or leased employee for purposes of  
9 retirement benefits. The retired member and the participating employer shall submit  
10 the information required or requested by the Authority to confirm the individual's  
11 status as an independent contractor or leased employee. The retired member shall  
12 not be required to notify the Authority regarding any services entered into as an  
13 independent contractor or leased employee with a participating agency that the  
14 employee enters into after twelve (12) months following his or her retirement date.

15 (10) If a member is receiving a retirement allowance, or has filed the forms required for  
16 a retirement allowance, and is employed within one (1) month of the member's  
17 initial retirement date in a position that is required to participate in the same  
18 retirement system from which the member retired, the member's retirement shall be  
19 voided and the member shall repay to the retirement system all benefits received.  
20 The member shall contribute to the member account established for him or her prior  
21 to his or her voided retirement. The retirement allowance for which the member  
22 shall be eligible upon retirement shall be determined by total service and creditable  
23 compensation.

24 (11) (a) If a member of the Kentucky Employees Retirement System retires from a  
25 department which participates in more than one (1) retirement system and is  
26 reemployed within one (1) month of his or her initial retirement date by the  
27 same department in a position participating in another retirement system, the

1           retired member's retirement allowance shall be suspended for the first month  
2           of his or her retirement, and the member shall repay to the retirement system  
3           all benefits received for the month.

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

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

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

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

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

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

26          (c) Upon termination, or subsequent to expiration of the six (6) month period  
27          from the date of termination, the retired member's retirement allowance based

1 on his or her initial retirement account shall no longer be suspended, and the  
2 member shall receive the amount to which he or she is entitled, including an  
3 increase as provided by KRS 61.691;

4 (d) Except as provided in subsection (7) of this section, if the position in which a  
5 retired member is employed after initial retirement is a regular full-time  
6 position, the retired member shall contribute to a second member account  
7 established for him or her in the retirement system. Service credit gained after  
8 the member's date of reemployment shall be credited to the second member  
9 account; and

10 (e) Upon termination, the retired member shall be entitled to benefits payable  
11 from his or her second retirement account.

12 (14) (a) If the retirement system determines that the retired member has not been  
13 reemployed in a position with the same principal duties as the position from  
14 which he or she retired, the retired member shall continue to receive his or her  
15 retirement allowance.

16 (b) If the position is a regular full-time position, the member shall contribute to a  
17 second member account in the retirement system.

18 (15) (a) If a retired member is reemployed at least one (1) month after initial  
19 retirement in a different position, or at least six (6) months after initial  
20 retirement in the same position, and prior to normal retirement age, the retired  
21 member shall contribute to a second member account in the retirement system  
22 and continue to receive a retirement allowance from the first member account.

23 (b) Service credit gained after reemployment shall be credited to the second  
24 member account. Upon termination, the retired member shall be entitled to  
25 benefits payable from the second member account.

26 (16) A retired member who is reemployed and contributing to a second member account  
27 shall not be eligible to purchase service credit under any of the provisions of KRS

1 16.505 to 16.652, 61.510 to 61.705, or 78.510 to 78.852 which he or she was  
2 eligible to purchase prior to his or her initial retirement.

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

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

24 1. The member shall contribute to a member account established for him or  
25 her in one (1) of the systems administered by Kentucky Retirement  
26 Systems or County Employees Retirement System, and employer  
27 contributions shall be paid on behalf of the member by the participating

1 employer; and

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

6 (b) If a member is receiving a retirement allowance from one (1) of the systems  
7 administered by Kentucky Retirement Systems or County Employees  
8 Retirement System and is employed in a regular full-time position required to  
9 participate in one (1) of the systems administered by Kentucky Retirement  
10 Systems or County Employees Retirement System after a one (1) month  
11 period following the member's initial retirement date, the member may  
12 continue to receive his or her retirement allowance during the period of  
13 reemployment subject to the following provisions:

14 1. If a member is reemployed by a participating agency within twelve (12)  
15 months of the member's retirement date, the participating agency shall  
16 certify in writing on a form prescribed by the Authority that no  
17 prearranged agreement existed between the employee and agency prior  
18 to the employee's retirement for the employee to return to work with the  
19 participating agency. If an elected official is reelected to a new term of  
20 office in the same position as the elected official held prior to retirement  
21 and takes office within twelve (12) months of his or her retirement date,  
22 he or she shall be deemed by the Authority as having a prearranged  
23 agreement under the provisions of this subparagraph and shall have his  
24 or her retirement voided. If the participating agency fails to complete the  
25 certification, the member's retirement shall be voided and the provisions  
26 of paragraph (a) of this subsection shall apply to the member and the  
27 employer. Employment that is accepted by the retired member after

- 1           twelve (12) months following the member's retirement date shall not  
2           constitute a prearranged agreement under this paragraph;
- 3           2. Notwithstanding any other provision of KRS Chapter 16, 61, or 78 to  
4           the contrary, the member shall not contribute to the systems and shall  
5           not earn any additional benefits for any work performed during the  
6           period of reemployment;
- 7           3. Except as provided by KRS 70.291 to 70.293, 95.022, and 164.952 and  
8           except for any retiree employed as a school resource officer as defined  
9           by KRS 158.441 or as a Kentucky guardian as defined by KRS  
10          158.4431, the employer shall pay employer contributions as specified by  
11          KRS 61.565, 61.702, and 78.635, as applicable, on all creditable  
12          compensation earned by the employee during the period of  
13          reemployment. **For any retiree employed as a school resource officer**  
14          **as defined by KRS 158.441 or as a Kentucky guardian as defined by**  
15          **KRS 158.4431 whose employment is established or renewed on or after**  
16          **July 1, 2027, the employer shall pay the normal cost contribution**  
17          **under KRS 61.565 or 78.635, as applicable, on all creditable**  
18          **compensation earned by the employee during the period of**  
19          **reemployment but shall not be required to pay any other contributions**  
20          **as provided by this subparagraph.** The additional contributions paid  
21          shall be used to reduce the unfunded actuarial liability of the systems;  
22          and
- 23          4. Except as provided by KRS 70.291 to 70.293, 95.022, and 164.952 and  
24          except for any retiree employed as a school resource officer as defined  
25          by KRS 158.441 or as a Kentucky guardian as defined by KRS  
26          158.4431, the employer shall be required to reimburse the systems for  
27          the cost of the health insurance premium paid by the systems to provide

1 coverage for the retiree, not to exceed the cost of the single premium.  
2 Effective July 1, 2015, local school boards shall not be required to pay  
3 the reimbursement required by this subparagraph for retirees employed  
4 by the board for eighty (80) days or less during the fiscal year. Effective  
5 August 1, 2024, the Department of Education shall pay for the health  
6 reimbursements required by this subparagraph for a retiree who  
7 participated in a hazardous position prior to July 1, 2003, in one (1) of  
8 the systems administered by the Kentucky Retirement Systems or the  
9 County Employees Retirement System, and who is reemployed by a  
10 local school board;

11 (c) Notwithstanding paragraphs (a) and (b) of this subsection, a retired member  
12 who qualifies as a volunteer for an employer participating in one (1) of the  
13 systems administered by Kentucky Retirement Systems or County Employees  
14 Retirement System and who is receiving reimbursement of actual expenses, a  
15 nominal fee for his or her volunteer services, or both, shall not be considered  
16 an employee of the participating employer and shall not be subject to  
17 paragraphs (a) and (b) of this subsection if:

- 18 1. Prior to the retired member's most recent retirement date, he or she did  
19 not receive creditable compensation from the participating employer in  
20 which the retired member is performing volunteer services;
- 21 2. Any reimbursement or nominal fee received prior to the retired  
22 member's most recent retirement date has not been credited as creditable  
23 compensation to the member's account or utilized in the calculation of  
24 the retired member's benefits;
- 25 3. The retired member has not purchased or received service credit under  
26 any of the provisions of KRS 61.510 to 61.705 or 78.510 to 78.852 for  
27 service with the participating employer for which the retired member is

1 performing volunteer services; and

2 4. Other than the status of volunteer, the retired member does not become  
3 an employee, leased employee, or independent contractor of the  
4 employer for which he or she is performing volunteer services for a  
5 period of at least twelve (12) months following the retired member's  
6 most recent retirement date.

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

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

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

1 or member of the city legislative body shall not accrue any further  
2 service credit or benefits in the systems administered by Kentucky  
3 Retirement Systems for any employment occurring on or after the  
4 effective retirement date;

5 (e) Notwithstanding any provision of this section, any current or future part-time  
6 adjunct instructor for the Kentucky Fire Commission who has not participated  
7 in the Kentucky Employees Retirement System prior to retirement, but who is  
8 otherwise eligible to retire from the County Employees Retirement System,  
9 shall not be:

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

16 (f) If a member is receiving a retirement allowance from any of the retirement  
17 systems administered by the Kentucky Retirement Systems or County  
18 Employees Retirement System and enters into a contract or becomes a leased  
19 employee of an employer under contract with an employer participating in  
20 one (1) of the systems administered by the Kentucky Retirement Systems or  
21 County Employees Retirement System:

- 22 1. At any time following retirement, if the Authority determines the  
23 employment arrangement does qualify as an independent contractor or  
24 leased employee, the member may continue to receive his or her  
25 retirement allowance during the period of the contract;
- 26 2. Within one (1) month following the member's initial retirement date, if  
27 the Authority determines the employment arrangement does not qualify

1 as an independent contractor or leased employee, the member's  
2 retirement shall be voided in accordance with paragraph (a) of this  
3 subsection;

4 3. After one (1) month but within twelve (12) months following the  
5 member's initial retirement, if the Authority determines the employment  
6 arrangement does not qualify as an independent contractor or leased  
7 employee and that a prearranged agreement existed between the member  
8 and the agency for the member to return to work with the agency, the  
9 member's retirement shall be voided in accordance with paragraph (a) of  
10 this subsection;

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

16 5. After twelve (12) months or more following the retired member's  
17 retirement date, the initiation of a contract or the initial date of the  
18 leased employment of a retired member by a participating agency shall  
19 not constitute a prearranged agreement under this subsection; and

20 (g) The Authority shall issue a final determination regarding a certification of the  
21 absence of a prearranged agreement or the retired member's qualification as  
22 an independent contractor or leased employee as required under this section  
23 no later than thirty (30) days after the retired member and participating  
24 employer provide all required forms and additional information required by  
25 the Authority.

26 (18) The Authority shall promulgate administrative regulations to implement the  
27 requirements of this section, including incorporating by reference board-prescribed

1 forms that a retired member and participating agency shall provide the systems  
2 under subsections (8), (9), and (17) of this section.

3 ➔Section 3. KRS 70.293 is amended to read as follows:

- 4 (1) Individuals employed under KRS 70.291 to 70.293 shall:
- 5 (a) Serve for a term not to exceed one (1) year. The one (1) year employment  
6 term may be renewed annually at the discretion of the employing county  
7 police department or sheriff's office;
  - 8 (b) Receive compensation according to the standard procedures applicable to the  
9 employing county police department or sheriff's office; and
  - 10 (c) Be employed based upon need as determined by the county police department  
11 or the employing sheriff's office.
- 12 (2) Notwithstanding any provisions of KRS 16.505 to 16.652, 18A.225 to 18A.2287,  
13 61.510 to 61.705, or 78.510 to 78.852 to the contrary:
- 14 (a) Individuals employed under KRS 70.291 to 70.293 shall continue to receive  
15 all retirement and health insurance benefits to which they were entitled upon  
16 retiring in the applicable system administered by Kentucky Retirement  
17 Systems or the County Employees Retirement System;
  - 18 (b) Individuals employed under KRS 70.291 to 70.293 shall not be eligible to  
19 receive health insurance coverage through the county police department, the  
20 sheriff's office, or the fiscal court of the county police department or sheriff's  
21 office;
  - 22 (c) The county police department, sheriff's office, or fiscal court of the county  
23 police department or sheriff's office **shall pay the employer's normal cost**  
24 **contribution as defined by KRS 78.635 on any individual whose employment**  
25 **term is established or renewed on or after July 1, 2027, but** shall not pay any  
26 **other** employer contributions or retiree health expense reimbursements to the  
27 Kentucky Retirement Systems **or County Employees Retirement System**

1 required by KRS 61.637(17) or 78.5540(4) for individuals employed under  
2 KRS 70.291 to 70.293; and

3 (d) The county police department, sheriff's office, or fiscal court of the county  
4 police department or sheriff's office shall not pay any insurance contributions  
5 to the state health insurance plan, as provided by KRS 18A.225 to 18A.2287,  
6 for individuals employed under KRS 70.291 to 70.293.

7 (3) Individuals employed under KRS 70.291 to 70.293 shall be subject to any merit  
8 system, civil service, or other legislative due process provisions applicable to the  
9 county police department or sheriff's office. A decision not to renew a one (1) year  
10 appointment term under this section shall not be considered a disciplinary action or  
11 deprivation subject to due process.

12 ➔Section 4. KRS 78.5540 is amended to read as follows:

13 (1) A retired member whose disability retirement was discontinued pursuant to KRS  
14 78.5528 and who is reemployed by an employer participating in the system or the  
15 Kentucky Retirement Systems prior to his or her normal retirement date shall have  
16 his or her accounts combined upon termination for determining eligibility for  
17 benefits. If the member is eligible for retirement, the member's service and  
18 creditable compensation earned as a result of his or her reemployment shall be used  
19 in the calculation of benefits, except that the member's final compensation shall not  
20 be less than the final compensation last used in determining his or her retirement  
21 allowance. The member shall not change beneficiary or payment option  
22 designations.

23 (2) (a) If a retired member accepts employment or begins serving as a volunteer with  
24 an employer participating in the systems administered by Kentucky  
25 Retirement Systems or the County Employees Retirement System within  
26 twelve (12) months of his or her retirement date, the retired member shall  
27 notify the Authority and the participating employer shall submit the

1 information required or requested by the Authority to confirm the individual's  
2 employment or volunteer status. The retired member shall not be required to  
3 notify the Authority regarding any employment or volunteer service with a  
4 participating agency that is accepted after twelve (12) months following his or  
5 her retirement date.

6 (b) If the retired member is under a contract to provide services as an independent  
7 contractor or leased employee to an employer participating in the systems  
8 administered by Kentucky Retirement Systems or the County Employees  
9 Retirement System within twelve (12) months of his or her retirement date,  
10 the member shall submit a copy of that contract to the Authority, and the  
11 Authority shall determine if the member is an independent contractor or  
12 leased employee for purposes of retirement benefits. The retired member and  
13 the participating employer shall submit the information required or requested  
14 by the Authority to confirm the individual's status as an independent  
15 contractor or leased employee. The retired member shall not be required to  
16 notify the Authority regarding any services entered into as an independent  
17 contractor or leased employee with a participating agency that the employee  
18 enters into after twelve (12) months following his or her retirement date.

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

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

27 (a) If a retired member is receiving a retirement allowance from the County

1 Employees Retirement System, or has filed the forms required to receive a  
2 retirement allowance from the County Employees Retirement System, and is  
3 employed in a regular full-time position required to participate in the County  
4 Employees Retirement System or one (1) of the systems administered by the  
5 Kentucky Retirement Systems or is employed in a position that is not  
6 considered regular full-time with an employer participating in the County  
7 Employees Retirement System or in one (1) of the systems administered by  
8 the Kentucky Retirement Systems within one (1) month following the  
9 member's initial retirement date, the member's retirement shall be voided, and  
10 the member shall repay to the system all benefits received, including any  
11 health insurance benefits. If the retired member is returning to work in a  
12 regular full-time position required to participate in the County Employees  
13 Retirement System:

- 14 1. The member shall contribute to a member account established for him or  
15 her in the County Employees Retirement System or in one (1) of the  
16 systems administered by the Kentucky Retirement Systems, and  
17 employer contributions shall be paid on behalf of the member by the  
18 participating employer to the system; and
  - 19 2. Upon subsequent retirement, the member shall be eligible for a  
20 retirement allowance based upon total service and creditable  
21 compensation, including any additional service or creditable  
22 compensation earned after his or her initial retirement was voided;
- 23 (b) If a retired member is receiving a retirement allowance from the County  
24 Employees Retirement System and is employed in a regular full-time position  
25 required to participate in the County Employees Retirement System or in one  
26 (1) of the systems administered by the Kentucky Retirement Systems after a  
27 one (1) month period following the member's initial retirement date, the

1 member may continue to receive his or her retirement allowance during the  
2 period of reemployment subject to the following provisions:

3 1. If a member is reemployed by a participating employer within twelve  
4 (12) months of the member's retirement date, the participating employer  
5 shall certify in writing on a form prescribed by the Authority that no  
6 prearranged agreement existed between the employee and employer  
7 prior to the employee's retirement for the employee to return to work  
8 with the participating employer. If the participating employer fails to  
9 complete the certification or the Authority determines a prearranged  
10 agreement exists, the member's retirement shall be voided and the  
11 provisions of paragraph (a) of this subsection shall apply to the member  
12 and the employer. For purposes of this paragraph:

13 a. If an elected official is reelected to a new term of office in the  
14 same position as the elected official held prior to retirement and  
15 takes office within twelve (12) months of his or her retirement  
16 date, he or she shall be deemed by the Authority as having a  
17 prearranged agreement; and

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

21 2. Notwithstanding any other provision of KRS Chapter 78 to the contrary,  
22 the member shall not contribute to the system and shall not earn any  
23 additional benefits for any work performed during the period of  
24 reemployment;

25 3. Except as provided by KRS 70.291 to 70.293, 95.022, and 164.952 and  
26 except for any retiree employed as a school resource officer as defined  
27 by KRS 158.441 or as a Kentucky guardian as defined by KRS

1           158.4431, the employer shall pay employer contributions as specified by  
2           KRS 78.5536 and 78.635 on all creditable compensation earned by the  
3           employee during the period of reemployment. *For any retiree employed*  
4           *as a school resource officer as defined by KRS 158.441 or as a*  
5           *Kentucky guardian as defined by KRS 158.4431 whose employment is*  
6           *established or renewed on or after July 1, 2027, the employer shall pay*  
7           *the normal cost contribution under KRS 61.565 or 78.635, as*  
8           *applicable, on all creditable compensation earned by the employee*  
9           *during the period of reemployment but shall not be required to pay*  
10          *any other contributions as provided by this subparagraph.* The  
11          additional contributions paid shall be used to reduce the unfunded  
12          actuarial liability of the system; and

- 13          4. Except as provided by KRS 70.291 to 70.293, 95.022, and 164.952 and  
14          except for any retiree employed as a school resource officer as defined  
15          by KRS 158.441 or as a Kentucky guardian as defined by KRS  
16          158.4431, the employer shall be required to reimburse the system for the  
17          cost of the health insurance premium paid by the system to provide  
18          coverage for the retiree, not to exceed the cost of the single premium.  
19          Effective July 1, 2015, local school boards shall not be required to pay  
20          the reimbursement required by this subparagraph for retirees employed  
21          by the board for eighty (80) days or less during the fiscal year. Effective  
22          August 1, 2024, the Department of Education shall pay for the health  
23          reimbursements required by this subparagraph for a retiree who  
24          participated in a hazardous position prior to July 1, 2003, in the County  
25          Employees Retirement System or in one (1) of the systems administered  
26          by the Kentucky Retirement Systems, and who is reemployed by a local  
27          school board;

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

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

24 If a retired member, who provided volunteer services with a participating  
25 employer under this paragraph violates any provision of this paragraph, then  
26 he or she shall be deemed an employee of the participating employer as of the  
27 date he or she began providing volunteer services and both the retired member

1 and the participating employer shall be subject to paragraphs (a) and (b) of  
2 this subsection for the period of volunteer service;

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

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

23 (e) Notwithstanding any provision of this section, any current or future part-time  
24 adjunct instructor for the Kentucky Fire Commission who has not participated  
25 in the Kentucky Employees Retirement System prior to retirement, but who is  
26 otherwise eligible to retire from the County Employees Retirement System,  
27 shall not be:

- 1           1.    Required to resign from his or her position as a part-time adjunct  
2           instructor for the Kentucky Fire Commission in order to begin drawing  
3           benefits from the County Employees Retirement System; or
  - 4           2.    Subject to any provision of this section as it relates solely to his or her  
5           service as a part-time adjunct instructor for the Kentucky Fire  
6           Commission;
- 7           (f)  If a member is receiving a retirement allowance from the County Employees  
8           Retirement System and enters into a contract or becomes a leased employee of  
9           an employer under contract with an employer participating in the County  
10          Employees Retirement System or one (1) of the systems administered by the  
11          Kentucky Retirement Systems:
- 12          1.    At any time following retirement, if the Authority determines the  
13          employment arrangement does qualify as an independent contractor or  
14          leased employee, the member may continue to receive his or her  
15          retirement allowance during the period of the contract;
  - 16          2.    Within one (1) month following the member's initial retirement date, if  
17          the Authority determines the employment arrangement does not qualify  
18          as an independent contractor or leased employee, the member's  
19          retirement shall be voided in accordance with paragraph (a) of this  
20          subsection;
  - 21          3.    After one (1) month but within twelve (12) months following the  
22          member's initial retirement, if the Authority determines the employment  
23          arrangement does not qualify as an independent contractor or leased  
24          employee and that a prearranged agreement existed between the member  
25          and the agency for the member to return to work with the agency, the  
26          member's retirement shall be voided in accordance with paragraph (a) of  
27          this subsection;

- 1           4. After a twelve (12) month period following the member's initial  
2           retirement, the member may continue to receive his or her retirement  
3           allowance during the period of the contract and the member shall not be  
4           required to notify the Authority or submit any documentation for  
5           purposes of this section to the Authority; and
- 6           5. After twelve (12) months or more following the retired member's  
7           retirement date, the initiation of a contract or the initial date of the  
8           leased employment of a retired member by a participating agency shall  
9           not constitute a prearranged agreement under this subsection;
- 10          (g) The Authority shall issue a final determination regarding a certification of the  
11          absence of a prearranged agreement or the retired member's qualification as  
12          an independent contractor or leased employee as required under this section  
13          no later than thirty (30) days after the retired member and participating  
14          employer provide all required forms and additional information required by  
15          the Authority; and
- 16          (h) Retired members of one (1) of the systems administered by Kentucky  
17          Retirement Systems who are reemployed by an employer in the County  
18          Employees Retirement System on or after September 1, 2008, shall not be  
19          eligible to earn a second retirement account in the County Employees  
20          Retirement System for his or her service to the employer.
- 21          (5) The Authority shall promulgate administrative regulations to implement the  
22          requirements of this section, including incorporating by reference Authority-  
23          prescribed forms that a retired member and participating agency shall provide the  
24          systems under subsections (1) and (4) of this section.
- 25          (6) (a) "Reemployment" or "reinstatement" as used in this section shall not include a  
26          retired member who has been ordered reinstated by the Personnel Board under  
27          authority of KRS 18A.095.

- 1 (b) 1. A retired member who has been ordered reinstated without loss of pay  
2 by the Personnel Board under authority of KRS 18A.095 or by court  
3 order or by order of the Kentucky Commission on Human Rights and  
4 accepts employment by an agency participating in the Kentucky  
5 Employees Retirement System, State Police Retirement System, or  
6 County Employees Retirement System shall void his or her retirement  
7 by reimbursing the system in the full amount of his or her retirement  
8 allowance payments received, including any health insurance benefits  
9 paid to or on behalf of the member.
- 10 2. Within twelve (12) months of the date of the final order of the Personnel  
11 Board, the Kentucky Commission on Human Rights, or the court, the  
12 member shall repay the system the full amount of his or her retirement  
13 allowance payments and health insurance benefits by lump sum or enter  
14 into an agreement with the Authority for repayment by installments.
- 15 3. Once the system has been fully reimbursed for the benefits paid to the  
16 member and on the member's behalf, additional contributions and  
17 service credit based on the reinstated employment shall be added to the  
18 member's account.

19 ➔Section 5. KRS 95.022 is amended to read as follows:

20 (1) As used in this section:

21 (a) "City" means any incorporated city, consolidated local government, unified  
22 local government, urban-county government, or charter county government,  
23 operating under the law of this Commonwealth, and the offices and agencies  
24 thereof; and

25 (b) "Police officer" has the same meaning as "police officer" in KRS 15.420 and  
26 as "officer" in KRS 16.010.

27 (2) Subject to the limitations of subsection (7) of this section, a city may employ

1 individuals as police officers under this section who have retired from the Kentucky  
2 Employees Retirement System, the County Employees Retirement System, or the  
3 State Police Retirement System.

4 (3) To be eligible for employment under this section, an individual shall have:

5 (a) Participated in the Law Enforcement Foundation Program fund under KRS  
6 15.410 to 15.510 or retired as a commissioned officer pursuant to KRS  
7 Chapter 16;

8 (b) Retired with at least twenty (20) years of service credit;

9 (c) Been separated from service for the period required by KRS 61.637 and  
10 78.5540 so that the member's retirement is not voided;

11 (d) Retired with no administrative charges pending; and

12 (e) Retired with no preexisting agreement between the individual and the city  
13 prior to the individual's retirement for the individual to return to work for the  
14 city.

15 (4) Individuals employed under this section shall:

16 (a) Serve for a term not to exceed one (1) year. The one (1) year employment  
17 term may be renewed annually at the discretion of the employing city;

18 (b) Receive compensation according to the standard procedures applicable to the  
19 employing city; and

20 (c) Be employed based upon need as determined by the employing city.

21 (5) Notwithstanding any provisions of KRS 16.505 to 16.652, 18A.225 to 18A.2287,  
22 61.510 to 61.705, or 78.510 to 78.852 to the contrary:

23 (a) Individuals employed under this section shall continue to receive all  
24 retirement and health insurance benefits to which they were entitled upon  
25 retiring in the applicable system administered by Kentucky Retirement  
26 Systems or the County Employees Retirement System;

27 (b) Individuals employed under this section shall not be eligible to receive health

- 1 insurance coverage through the employing city;
- 2 (c) The city shall pay the employer's normal cost contribution as defined by  
3 KRS 78.635 on any individual whose employment term is established or  
4 renewed on or after July 1, 2027, but shall not pay any other employer  
5 contributions or retiree health expense reimbursements to the Kentucky  
6 Retirement Systems or County Employees Retirement System required by  
7 KRS 61.637(17) or subsection (4) of Section 4 of this Act for individuals  
8 employed under this section; and
- 9 (d) The city shall not pay any insurance contributions to the state health insurance  
10 plan, as provided by KRS 18A.225 to 18A.2287, for individuals employed  
11 under this section.
- 12 (6) Individuals employed under this section shall be subject to any merit system, civil  
13 service, or other legislative due process provisions applicable to the employing city.  
14 A decision not to renew a one (1) year appointment term under this section shall not  
15 be considered a disciplinary action or deprivation subject to due process.
- 16 (7) A city government shall be limited in the number of retired police officers that it  
17 may hire under this section as follows:
- 18 (a) A city government that employed an average of five (5) or fewer police  
19 officers over the course of the immediately preceding calendar year shall not  
20 be limited in the number of officers that they may hire under this section;
- 21 (b) A city government that employed an average of more than five (5) but fewer  
22 than one hundred (100) police officers over the course of the immediately  
23 preceding calendar year shall not hire more than five (5) police officers or a  
24 number equal to twenty-five percent (25%) of the police officers employed by  
25 the city in the immediately preceding calendar year, whichever is greater; and
- 26 (c) A city government that employed an average of one hundred (100) or more  
27 police officers over the course of calendar year 2015 shall not hire more than

1           twenty-five (25) police officers or a number equal to ten percent (10%) of the  
2           police officers employed by the city in the immediately preceding calendar  
3           year, whichever is greater.

4 (8) Retired police officers employed by a city government for purposes of KRS  
5       158.4414 shall not apply against the limitations provided by subsection (7) of this  
6       section.

7       ➔Section 6. KRS 161.520 is amended to read as follows:

8       Upon the death of an active contributing member or upon the death of a member retired  
9       for disability, except as provided in KRS 161.661(6), the survivors of the deceased  
10      member in the following named order, may elect to receive a survivor's benefit payable  
11      as follows:

12 (1) Where there is a surviving widow or widower who is named as the primary  
13      beneficiary of the member's retirement account, the benefit shall be:

14 (a) One hundred eighty dollars (\$180) per month with no restriction on other  
15      income;

16 (b) Two hundred forty dollars (\$240) per month when the surviving widow or  
17      widower's total income from all sources does not exceed six thousand six  
18      hundred dollars (\$6,600) per year or five hundred fifty dollars (\$550) per  
19      month; or

20 (c) If the deceased member has a minimum of ten (10) years of service credit  
21      with the Teachers' Retirement System, the surviving widow or widower may  
22      apply for an annuity actuarially equivalent to the annuity that would have  
23      been paid to the deceased member when eligibility conditions were met.  
24      Eligibility for payments would begin at the time the age of the deceased  
25      member would have met the requirements of KRS 161.600(1) or (2), as  
26      applicable. In exercising this right, the surviving widow or widower shall be  
27      entitled to receive an annuity for life. This subsection applies to surviving

1 spouses of members who die on or after July 1, 1978. A surviving widow or  
2 widower of a member who dies after July 1, 1978, shall be eligible for benefit  
3 payments provided under paragraphs (a) and (b) of this subsection until they  
4 begin receiving payments under this provision;

5 (2) (a) Where there are surviving unmarried children under age eighteen (18) or  
6 under age nineteen (19) if a full-time student in high school, the benefit shall  
7 be two hundred dollars (\$200) per month in the case of one (1) child, three  
8 hundred forty dollars (\$340) per month in the case of two (2) children, four  
9 hundred dollars (\$400) per month in the case of three (3) children, and four  
10 hundred forty dollars (\$440) per month in the case of four (4) or more  
11 children. Benefits under this subsection shall apply in addition to benefits  
12 which may be payable under subsections (1) and (3) of this section.

13 (b) Notwithstanding any provision of law to the contrary, the surviving spouse  
14 may elect to receive a lump-sum refund of the member's accumulated account  
15 balance in lieu of the survivorship benefits payable under this subsection and  
16 subsection (1) of this section only if the surviving spouse is designated as the  
17 primary beneficiary and:

18 1. Is a biological or adoptive parent of all children eligible for a benefit  
19 under this subsection and has not had his or her parental rights  
20 terminated; or  
21 2. Has been appointed as legal guardian of all of the children eligible under  
22 paragraph (a) of this subsection.

23 (c) To elect a lump-sum refund of the member's accumulated account balance  
24 under paragraph (b) of this subsection, the surviving spouse who is designated  
25 as the primary beneficiary must sign a waiver on forms prescribed by the  
26 retirement system of his or her rights and the member's children's rights to the  
27 survivorship benefits payable under this subsection and subsection (1) of this

1 section. The surviving spouse shall not waive the survivorship benefits  
2 available under this subsection or subsections (1) and (6) of this section if any  
3 of the member's children have attained age eighteen (18) or older unless all of  
4 those children consent in writing on forms prescribed by the retirement  
5 system to waive their survivorship benefits available under this subsection;

6 (3) (a) Where the survivor is a child age eighteen (18) or older whose mental or  
7 physical condition is sufficient to cause his or her dependency on the deceased  
8 member at the time of the member's death, the benefit shall be two hundred  
9 dollars (\$200) per month, payable for the life of the child or until the time as  
10 the mental or physical condition creating the dependency no longer exists or  
11 the child marries. The mental or physical condition of the adult child shall be  
12 revealed by a competent examination by a licensed physician ~~and shall be~~  
13 ~~approved by a majority of a medical review committee as defined in KRS~~  
14 ~~161.661(14)].~~ Benefits under this subsection shall apply in addition to benefits  
15 which may be payable under subsections (1) and (2) of this section.

16 (b) Notwithstanding any provision of law to the contrary, the surviving spouse  
17 shall not elect to receive a lump-sum refund of the member's accumulated  
18 account balance in lieu of the survivorship benefits payable under this  
19 subsection and subsection (1) of this section unless:

- 20 1. The surviving spouse is designated as the primary beneficiary;
- 21 2. The surviving spouse has been appointed by the court as guardian,  
22 conservator, or other fiduciary with sufficient general or specific  
23 authority to waive the survivorship benefits available under this  
24 subsection for any child or children age eighteen (18) or older who have  
25 been adjudicated incompetent to make decisions on their own behalf by  
26 a court of law; and
- 27 3. Any child or children age eighteen (18) or older who are mentally

1                   competent to make decisions on their own behalf consent in writing on  
2                   forms prescribed by the retirement system to waive their survivorship  
3                   benefits available under this subsection.

4           (c) If eligible to elect a lump-sum refund of the member's accumulated account  
5           balance, the surviving spouse shall sign a waiver on forms prescribed by the  
6           retirement system of his or her rights and the member's children's rights to the  
7           survivorship benefits payable under this subsection and subsections (1) and  
8           (2) of this section;

9           (4) Where the sole eligible survivors are dependent parents aged sixty-five (65) or over,  
10           the benefit shall be two hundred dollars (\$200) per month for one (1) parent or two  
11           hundred ninety dollars (\$290) per month for two (2) parents. Dependency of a  
12           parent shall be established as of the date of the death of the member;

13           (5) Where the sole eligible survivor is a dependent brother or sister, the benefit shall be  
14           one hundred sixty five dollars (\$165) per month. In order to qualify, the brother or  
15           sister must have been a resident of the deceased member's household for at least  
16           one (1) full year prior to the member's death or must have been receiving care in a  
17           hospital, nursing home, or other institution at the member's expense for same  
18           period;

19           (6) The benefit to a child as defined in subsection (2) of this section shall terminate  
20           upon the attainment of age eighteen (18) or upon reaching age nineteen (19), if a  
21           full-time student in high school, or upon marriage, except that benefits shall  
22           continue until the attainment of age twenty-three (23) for an unmarried child who is  
23           a full-time student in a recognized educational program beyond the high school  
24           level. The benefit to a dependent parent or dependent brother or sister or dependent  
25           child age eighteen (18) or older shall terminate upon marriage, or upon termination  
26           of the condition creating the dependency;

27           (7) The board of trustees shall be the sole judge of eligibility or dependency of any

1 beneficiary, and may require formal application or information relating to eligibility  
2 or dependency, including proof of annual income satisfactory to the board. The  
3 board of trustees may subpoena records and individuals whenever it deems this  
4 action necessary;

5 (8) No payment of benefits shall be made unless the board of trustees authorizes the  
6 payment. The board shall promulgate administrative regulations for the  
7 administration of the provisions in this section and in every case the decision of the  
8 board of trustees shall be final as to eligibility, dependency, or disability, and the  
9 amount of benefits payable;

10 (9) In the event that there are no eligible survivors as defined in subsections (1) to (5)  
11 of this section, or in the event that the surviving spouse elects not to receive  
12 survivorship benefits on his or her own behalf or on behalf of any of the member's  
13 children as permitted under subsections (2) and (3) of this section, the board of  
14 trustees shall pay to the estate or the designated beneficiaries of the deceased  
15 member a refund of his or her accumulated account balance as provided in KRS  
16 161.470(7). If the benefits paid or payable under subsections (1) to (5) of this  
17 section and KRS 161.661 shall amount to a sum less than the member's  
18 accumulated account balance at the time of death, the board of trustees shall pay to  
19 the estate or designated beneficiaries of the deceased member the balance of the  
20 accumulated account balance;

21 (10) Any person who is receiving benefits and becomes disqualified from receiving  
22 those benefits under this section shall immediately notify the Teachers' Retirement  
23 System of this disqualification in writing and shall return all benefits paid after the  
24 date of disqualification. Failure to comply with these provisions shall create an  
25 indebtedness of that person to the Teachers' Retirement System. Interest at the rate  
26 of eight percent (8%) per annum shall be charged if the debt is not repaid within  
27 sixty (60) days after the date of disqualification. Failure to repay this debt creates a

1       lien in favor of the Teachers' Retirement System upon all property of the person  
2       who improperly receives benefits and does not repay those benefits; and

3       (11) Benefits under subsections (2) and (3) of this section shall apply to a child who is a  
4       legally adopted survivor at the time of the death of the member. This provision shall  
5       be retroactive to include a child who was born after January 1, 1990, and is a legally  
6       adopted survivor of a member whose death occurred prior to July 15, 2008.

7       ➔Section 7. KRS 161.605 is amended to read as follows:

8       Any member retired by reason of service may return to work in a position covered by the  
9       Kentucky Teachers' Retirement System and continue to receive his or her retirement  
10      allowance under the following conditions:

11     (1) Any member who is retired with thirty (30) or more years of service may return to  
12     work in a full-time or a part-time position, or in a position providing substitute  
13     teaching service, covered by the Teachers' Retirement System and earn up to a  
14     maximum of seventy-five percent (75%) of the member's last annual compensation  
15     measured on a daily rate to be determined by the board of trustees. For purposes of  
16     determining whether the salary of a member returning to work is seventy-five  
17     percent (75%) or less of the member's last annual compensation, all remuneration  
18     paid and benefits provided to the member, on an actual dollar or fair market value  
19     basis as determined by the retirement system, excluding employer-provided medical  
20     insurance required under subsection (4) of this section, shall be considered.  
21     Members who were retired on or before June 30, 2002, shall be entitled to return to  
22     work under the provisions of this section as if they had retired with thirty (30) years  
23     of service. Nonqualified service credit purchased under the provisions of KRS  
24     161.5465 or elsewhere with any state-administered retirement system shall not be  
25     used to meet the thirty (30) year requirement set forth in this subsection. Out-of  
26     state teaching service provided in public schools for kindergarten through grade  
27     twelve (12) may count toward the thirty (30) year requirement set forth in this

1 subsection even if it is not purchased as service credit, if the member obtains from  
2 his or her out-of-state employer certification of this service on forms prescribed by  
3 the retirement system;

4 (2) Any member who is retired with less than thirty (30) years of service after June 30,  
5 2002, may return to work in a full-time or part-time position, or in a position  
6 providing substitute teaching service, covered by the Teachers' Retirement System  
7 and earn up to a maximum of sixty-five percent (65%) of the member's last annual  
8 compensation measured on a daily rate to be determined by the board of trustees.  
9 For purposes of determining whether the salary of a member returning to work is  
10 sixty-five percent (65%) or less of the member's last annual compensation, all  
11 remuneration paid and benefits provided to the member, on an actual dollar or fair  
12 market value basis as determined by the retirement system, excluding employer-  
13 provided medical insurance required under subsection (4) of this section, shall be  
14 considered;

15 (3) Under this section, an employer may employ full-time a number of retired members  
16 not to exceed ten percent (10%) of the membership actively employed full-time by  
17 that employer. The board of trustees may reduce this ten percent (10%) cap upon  
18 recommendation of the retirement system's actuary if a reduction is necessary to  
19 maintain the actuarial soundness of the retirement system. The board of trustees  
20 may increase the ten percent (10%) cap upon a determination that an increase is  
21 warranted to help address a shortage in the number of available teachers and upon  
22 the determination of the retirement system's actuary that the proposed cap increase  
23 allows the actuarial soundness of the retirement system to be maintained. For  
24 purposes of this subsection, "full-time" means the same as defined by KRS  
25 161.220(21). A local school district may exceed the quota established by this  
26 subsection by making an annual written request to the Kentucky Department of  
27 Education which the department may approve on a year-by-year basis;

- 1 (4) (a) Except as provided by subsection (9) of this section, a ***retired*** member  
2 returning to work in a full-time or part-time position, or in a position  
3 providing substitute teaching service~~[,]~~ under subsection (1) or (2) of this  
4 section, shall contribute to an account with the retirement system that shall be  
5 administered independently from and with no reciprocal impact with the  
6 member's original retirement account, or any other account from which the  
7 member is eligible to draw a retirement allowance.
- 8 (b) Except as provided by subsection (9) of this section, a ***retired*** member  
9 returning to work under subsection (1) or (2) of this section shall make  
10 contributions to the retirement system at the rate provided under KRS  
11 161.540. The new account shall independently meet all vesting requirements  
12 as well as all other conditions set forth in KRS 161.600(1) or (2), as  
13 applicable, before any retirement allowance is payable from this account. The  
14 retirement allowance accruing under this new account shall be calculated  
15 pursuant to KRS 161.620. This new account shall not entitle the member to a  
16 duplication of the benefits offered under KRS 161.620(7) or 161.675, nor  
17 shall this new account provide the benefits offered by KRS 161.520, 161.525,  
18 161.620(3), 161.655, 161.661, or 161.663.
- 19 (c) A ***retired*** member returning to work ***for an employer that participates in a***  
20 ***state-administered retirement system***~~[ under subsection (1) or (2) of this~~  
21 ~~section]~~ shall waive his or her medical insurance with the Teachers'  
22 Retirement System during the period of reemployment and shall receive the  
23 medical insurance coverage ***that is offered by the member's active employer***~~[~~  
24 ~~that is generally provided by the member's active employer to the other~~  
25 ~~members of the retirement system that the active employer employs].~~ If  
26 medical insurance coverage is not available from the employer, the Kentucky  
27 Teachers' Retirement System may provide coverage for the member.

- 1 (d) A *retired* member returning to work under subsection (1) or (2) of this section  
2 shall not be eligible to purchase service credit for any service provided after  
3 the member's effective date of retirement but prior to the date that the member  
4 returns to work. A member returning to work under subsection (1) or (2) of  
5 this section shall not be eligible to purchase service credit that the member  
6 would have otherwise been eligible to purchase prior to the member's initial  
7 retirement.
- 8 (e) A *retired* member who returns to work under subsection (1) or (2) of this  
9 section, or in the event of the death of the member, the member's estate or  
10 applicably designated beneficiary, shall be entitled, within ninety (90) days of  
11 the posting of the annual report submitted by the employer, to a refund of  
12 contributions as permitted and limited by KRS 161.470;
- 13 (5) The board of trustees may annually, on July 1, adjust the current daily rate of a  
14 member's last annual compensation, for each full twelve (12) month period that has  
15 elapsed subsequent to the member earning his or her last annual compensation, by  
16 the percentage increase in the annual average of the consumer price index for all  
17 urban consumers for the calendar year preceding the adjustment as published by the  
18 Federal Bureau of Labor Statistics, not to exceed five percent (5%) annually. Each  
19 annual adjustment shall become part of the member's daily rate base. Failure to  
20 comply with the salary limitations set forth in subsections (1) and (2) of this section  
21 as may be adjusted by this subsection shall result in a reduction of the member's  
22 retirement allowance or any other benefit to which the member would otherwise be  
23 entitled on a dollar-for-dollar basis for each dollar that the member exceeds these  
24 salary limitations, and the member shall be refunded his or her retirement  
25 contributions made on the compensation that exceeds these salary limitations.  
26 Notwithstanding any other provision of law to the contrary, a member retiring from  
27 a local school district who returns to work for a local school district under

1 subsection (1) or (2) of this section shall be entitled, without any reduction to his or  
2 her retirement allowance or any other retirement benefit, to earn a minimum  
3 amount equal to ~~two~~~~[one]~~ hundred ~~[seventy]~~ dollars ~~(\$200)~~~~(\$170)~~ per day;

4 (6) (a) A retired member returning to work under subsection (1) or (2) of this section  
5 shall have separated from service for a period of at least one (1) year if  
6 returning to work for the same employer on a full-time basis, and at least three  
7 (3) months if returning to work for a different employer on a full-time basis.  
8 A retired member returning to work under subsection (1) or (2) of this section  
9 on a part-time basis shall have separated from service for a period of at least  
10 three (3) months before returning to work for any employer.

11 (b) ~~[As an alternative to the separation from service requirements in paragraph~~  
12 ~~(a) of this subsection, a retired member who is returning to work for the same~~  
13 ~~employer in a full time position under subsections (1) and (2) of this section~~  
14 ~~may elect a separation from service of not less than two (2) months followed~~  
15 ~~by a forfeiture of the retired member's retirement allowance on a month to~~  
16 ~~month basis for each month that the member has separated from service for~~  
17 ~~less than twelve (12) full months. A retired member returning to work for the~~  
18 ~~same employer in a part time position, or for a different employer in a full~~  
19 ~~time position, may elect an alternative separation from service requirement of~~  
20 ~~at least two (2) months followed by a forfeiture of the member's retirement~~  
21 ~~allowance for one (1) month. During the period that the member forfeits his or~~  
22 ~~her retirement allowance and thereafter, member and employer contributions~~  
23 ~~shall be made to the retirement system as a result of employment in any~~  
24 ~~position subject to membership in the retirement system. The member shall~~  
25 ~~contribute to an account with the retirement system subject to the conditions~~  
26 ~~set forth in subsection (4) of this section.~~

27 (c) ~~]A retired member who is returning to work for an employer that has~~

1 employees who participate in the Teachers' Retirement System shall comply  
2 with the separation-from-service requirements in this subsection before  
3 performing any service for the employer, regardless of whether the retired  
4 member is providing service in a position covered by the Teachers'  
5 Retirement System.

6 ~~(c)~~~~(d)~~ The starting date for any separation from service required under this  
7 subsection shall be the effective date of the member's retirement.

8 ~~(d)~~~~(e)~~ The separation-from-service requirements of this subsection are not met  
9 if there is a prearranged agreement between the member and an employer that  
10 has employees who participate in the Teachers' Retirement System prior to  
11 retirement for the member to work for the employer after retirement.

12 ~~(e)~~~~(f)~~ The Teachers' Retirement System may require the member and the  
13 employer for which the member is returning to work to certify in writing on a  
14 form prescribed by the Teachers' Retirement System that no prearranged  
15 agreement was or will be entered into between the member and employer  
16 prior to retirement for the member to work for the employer after retirement.

17 ~~(f)~~~~(g)~~ Failure to comply with the separation-from-service requirements in this  
18 subsection voids a member's retirement and the member shall be required to  
19 return all the retirement benefits he or she received, with interest, for the  
20 period of time that the member returned to work without a sufficient  
21 separation from service;

22 (7) (a) Effective July 1, 2004, local school districts may employ retired members in  
23 full-time or part-time teaching or administrative positions in critical shortage  
24 areas without limitation on the compensation of the retired members that is  
25 otherwise required by subsections (1) and (2) of this section. The number of  
26 retired members that a local school district may employ under this subsection  
27 shall be no more than four (4) members per local school district or ten percent

1 (10%) of the total active members employed by the local school district on a  
2 full-time basis as defined under KRS 161.220(21), whichever number is  
3 greater. Retired members returning to work under this subsection shall be  
4 subject to the separation-from-service requirements set forth in subsection (6)  
5 of this section. Retired members returning to work under this subsection shall  
6 waive their medical insurance coverage with the retirement system during  
7 their period of reemployment and receive medical insurance coverage that is  
8 offered by the member's active employer~~offered to other full-time members~~  
9 ~~employed by the local school district~~. Retired members returning to work  
10 under this subsection shall contribute to an account subject to the conditions  
11 set forth in subsection (4) of this section. Retired members returning to work  
12 under this subsection shall make contributions to the retirement system at the  
13 rate provided under KRS 161.540. The employer shall make contributions at  
14 the rate provided under KRS 161.550. Local school districts shall make  
15 annual payments to the retirement system on the compensation paid to the  
16 reemployed retirees at the rates determined by the retirement system's actuary  
17 that reflect any accrued liability resulting from the reemployment of these  
18 members.

- 19 (b) The Department of Education may employ retired members in full-time or  
20 part-time teaching or nonteaching positions without the limitations on  
21 compensation otherwise required by subsections (1) and (2) of this section to  
22 fill critical shortage areas in the schools it operates, including the Kentucky  
23 School for the Blind and the Kentucky School for the Deaf, and to serve on  
24 audit teams. The department shall be subject to the same requirements as local  
25 school districts as provided in paragraph (a) of this subsection, except the  
26 Teachers' Retirement System shall determine the maximum number of  
27 employees that may be employed under this paragraph;

- 1 (8) The return-to-work limitations set forth in this section shall apply to retired  
2 members who are returning to work in the same position from which they retired, or  
3 a position substantially similar to the one from which they retired, or a position  
4 described in KRS 161.046 or any position listed in KRS 161.220(4) which requires  
5 membership in the retirement system. Positions which generally require  
6 certification or graduation from a four (4) year college or university as a condition  
7 of employment which are created, or changed to remove the position from coverage  
8 under KRS 161.220(4) are also subject to the return to work limitations set forth in  
9 this section. The board of trustees shall determine whether employment in a  
10 nonteaching position is subject to this subsection;
- 11 (9) (a) Notwithstanding the provisions of this section, individuals who become  
12 members on or after January 1, 2022, who subsequently retire and begin  
13 drawing a monthly lifetime retirement allowance from the Teachers'  
14 Retirement System, who following retirement are reemployed with an  
15 employer participating in the Teachers' Retirement System, shall not be  
16 eligible to contribute to or earn benefits in a second retirement account in the  
17 Teachers' Retirement System during the period of reemployment.
- 18 (b) The provisions of subsections (1) to (7) of this section are not subject to KRS  
19 161.714;
- 20 (10) Retired members may be employed in a part-time teaching capacity by an agency  
21 described in KRS 161.220(4)(b) or (n), not to exceed the equivalent of twelve (12)  
22 teaching hours in any one (1) fiscal year. Retired members may be employed for a  
23 period not to exceed the equivalent of one hundred (100) days in any one (1) fiscal  
24 year in a part-time administrative or nonteaching capacity by an agency described  
25 in KRS 161.220(4)(b) or (n) in a position that would otherwise be covered by the  
26 retirement system. Except as otherwise provided by this subsection, the return to  
27 work provisions set forth in subsections (1) to (7) of this section shall not apply to

1 retired members who return to work solely for an agency described in KRS  
2 161.220(4)(b) or (n). Calculation of the number of days and teaching hours for part-  
3 time teaching, substitute teaching, or part-time employment in a nonteaching  
4 capacity under this section shall not exceed the ratio between a school year and the  
5 actual months of retirement for the member during that school year. The board of  
6 trustees by administrative regulation may establish fractional equivalents of a day  
7 of teaching service. Any member who exceeds the twelve (12) hour or one hundred  
8 (100) day limitations of this subsection shall be subject to having his or her  
9 retirement voided and be required to return all retirement allowances and other  
10 benefits paid to the member or on the member's behalf since the effective date of  
11 retirement. In lieu of voiding a member's retirement, the system may reduce the  
12 member's retirement allowance or any other benefit to which the member would  
13 otherwise be entitled on a dollar-for-dollar basis for each dollar of compensation  
14 that the member earns in employment exceeding twelve (12) hours, one hundred  
15 (100) days, or any apportionment of the two (2) combined. Retired members  
16 returning to work for an employer described in KRS 161.220(4)(b) or (n) shall  
17 comply with the separation-from-service requirements of subsection (6) of this  
18 section;

19 (11) When a retired member returns to employment in a part-time teaching capacity or  
20 in a nonteaching capacity as provided in subsection (10) of this section, the  
21 employer shall contribute annually to the retirement system on the compensation  
22 paid to the retired member at rates determined by the retirement system actuary that  
23 reflect accrued liability for retired members who return to work under subsection  
24 (10) of this section; and

25 (12) For retired members who return to work during any one (1) fiscal year in both a  
26 position described in KRS 161.220(4)(b) or (n) and in a position described under  
27 another provision under KRS 161.220(4), and for retired members who return to

1 work in a position described under KRS 161.220(4)(b) or (n) in both a teaching and  
 2 an administrative or nonteaching capacity, the board of trustees shall adopt a  
 3 methodology for a pro rata apportionment of days and hours that the retired  
 4 member may work in each position.

5 (13) Notwithstanding any other provision of KRS 161.220 to 161.716 to the contrary, an  
 6 annuitant who has returned to work following retirement with an employer that  
 7 does not participate in the state-administered retirement systems shall not be  
 8 required to take health insurance coverage through the employer and the system  
 9 shall continue to provide health insurance coverage and benefits to the annuitant  
 10 during the period of employment, except as may be required by the Medicare  
 11 Secondary Payer Act under 42 U.S.C. sec. 1395y(b).

12 **(14) Any member retired by reason of service may waive his or her annuity and return**  
 13 **to full-time employment in a Teachers' Retirement System covered position that is**  
 14 **on the certified salary schedule under the following conditions:**

15 **(a) The member shall:**

16 **1. Receive no annuity payments while employed in a full-time position**  
 17 **described in this subsection;**

18 **2. Make contributions on the salaries received for the service in a full-**  
 19 **time position;**

20 **3. If employed for at least one (1) consecutive contract year in a full-time**  
 21 **position, have his or her retirement annuity recalculated as provided**  
 22 **in the regular retirement formula in subsection (1) of Section 9 of this**  
 23 **Act, except that, regardless of salaries earned during waiver, a**  
 24 **monthly retirement allowance recalculated under this paragraph shall**  
 25 **not be increased by more than ten percent (10%) per full contract year**  
 26 **of waiver worked or a prorated percentage for a year during waiver**  
 27 **when less than a full contract year was worked. The recalculated**

1                   retirement allowance shall be less any applicable actuarial discount  
2                   applied to the original retirement allowance due to the election of a  
3                   joint and last survivor option; and

4                   4. Waive his or her medical insurance coverage with the Teachers'  
5                   Retirement System during the period of reemployment and instead  
6                   shall receive the medical insurance coverage that is generally offered  
7                   by the member's active employer;

8                   (b) 1. The member's estate or, if there is a beneficiary applicably designated  
9                   by the member, then the beneficiary, shall continue to be eligible for  
10                   life insurance benefits as provided in KRS 161.655.

11                   2. Retirement option, plan account type, and beneficiary designation on  
12                   original retirement shall not be altered by postretirement employment  
13                   under this subsection, and dependents and spouses of the members  
14                   shall not become eligible for benefits under KRS 161.525 or 161.661  
15                   or Section 6 of this Act due to postretirement employment;

16                   (c) 1. When a member returns to a full-time position described in this  
17                   subsection and as provided in paragraph (a) of this subsection, the  
18                   employer is required to withhold and remit regular retirement  
19                   contributions.

20                   2. The member shall be returned to the annuity rolls on July 1 following  
21                   completion of the contract year or on the first day of the month  
22                   following the month of termination of service. A member shall not be  
23                   returned to the annuity rolls until after he or she has filed a retirement  
24                   application in compliance with KRS 161.600(6). Any discounts applied  
25                   at the time of the original retirement due to service or age may be  
26                   reduced or eliminated in the recalculation subject to the ten percent  
27                   (10%) cap in paragraph (a) of this subsection; and

1        *(d) A member retired by reason of service who has been employed the*  
 2        *equivalent of twenty-five (25) days or more during a school year under this*  
 3        *section may waive the member's retirement annuity and return to a position*  
 4        *described in this subsection during that school year a maximum of one (1)*  
 5        *time during any five (5) year period, beginning with that school year.*

6        ➔Section 8. KRS 161.608 is amended to read as follows:

7        The provisions of KRS 61.680 are hereby recognized and shall be followed in  
 8        *calculating*~~computing~~ benefits of any member of the Teachers' Retirement System who  
 9        also has an account with the Kentucky Employees Retirement System, County  
 10        Employees Retirement System, or State Police Retirement System. *The benefits shall be*  
 11        *calculated using a membership date as follows:*

12        *(1) Teachers' Retirement System shall use the other state-administered retirement*  
 13        *systems' membership entry date to establish eligibility for and participation in*  
 14        *benefits if it is the earlier membership entry date between the systems, and this*  
 15        *date shall not be subsequently changed once entered in the member's record; and*

16        *(2) For individuals who begin participation in the Teacher's Retirement System on or*  
 17        *after July 1, 2026, service subsequently reinstated or established in another*  
 18        *system for an earlier period or date shall not change the individual's continued*  
 19        *participation in the Teachers' Retirement System account type in which they*  
 20        *participated prior to the reinstatement.*

21        ➔Section 9. KRS 161.620 is amended to read as follows:

22        (1) The retirement allowance, in the form of a life annuity with refundable balance, of a  
 23        member retiring for service shall be calculated as follows:

24        (a) For retirements effective July 1, 1998, and thereafter, except as otherwise  
 25        provided by this section, the annual allowance for each year of service shall  
 26        be two percent (2%) of the final average salary for service performed prior to  
 27        July 1, 1983, and two and one-half percent (2.5%) of the final average salary

1 for service performed after July 1, 1983, for all nonuniversity members.  
2 Except as otherwise provided by this section, the annual retirement allowance  
3 for each year of service performed by members of the Teachers' Retirement  
4 System who are university members shall be two percent (2%) of the final  
5 average salary. Actuarial discounts due to age or service credit at retirement  
6 may be applied as provided in this section;

7 (b) For individuals who become nonuniversity members of the Teachers'  
8 Retirement System on or after July 1, 2002, and before July 1, 2008, who  
9 upon retirement have earned less than ten (10) full years of service credit, the  
10 retirement allowance shall be two percent (2%) of the member's final average  
11 salary for each year of service. For individuals who become nonuniversity  
12 members of the Teachers' Retirement System on or after July 1, 2002, and  
13 before July 1, 2008, and who upon retirement have earned at least ten (10) full  
14 years of service credit, the annual allowance for each year of service shall be  
15 two and one-half percent (2.5%) of the member's final average salary;

16 (c) The board of trustees may approve for members who initially retire on or after  
17 July 1, 2004, and who become nonuniversity members before July 1, 2008, a  
18 retirement allowance of three percent (3%) of the member's final average  
19 salary for each year or partial year of service credit earned in excess of thirty  
20 (30) years. This three percent (3%) factor shall be in lieu of the two and one-  
21 half percent (2.5%) factor provided for in paragraph (b) of this subsection for  
22 every year or fraction of a year of service in excess of thirty (30) years. Upon  
23 approval of this three percent (3%) retirement factor, the board of trustees  
24 may establish conditions of eligibility regarding the type of service credit that  
25 will qualify for meeting the requirements of this subsection. This subsection is  
26 optional with the board of trustees and shall not be subject to KRS 161.714;

27 (d) For individuals who become nonuniversity members of the Teachers'

1 Retirement System on or after July 1, 2008, but prior to January 1, 2022, the  
2 retirement allowance shall be:

- 3 1. a. One and seven-tenths percent (1.7%) of the member's final  
4 average salary for each year of service if the member has earned  
5 ten (10) or less years of service at retirement;
- 6 b. Two percent (2%) of the member's final average salary for each  
7 year of service if the member has earned greater than ten (10) but  
8 no more than twenty (20) years of service at retirement;
- 9 c. Two and three-tenths percent (2.3%) of the member's final average  
10 salary for each year of service if the member has earned greater  
11 than twenty (20) but no more than twenty-six (26) years of service  
12 at retirement; or
- 13 d. Two and one-half percent (2.5%) of the member's final average  
14 salary for each year of service if the member has earned greater  
15 than twenty-six (26) but no more than thirty (30) years of service  
16 at retirement; and
- 17 2. Three percent (3%) of the member's final average salary for each year or  
18 partial year of service earned in excess of thirty (30) years of service at  
19 retirement subject to the same terms and conditions as set forth in  
20 paragraph (c) of this subsection;
- 21 (e) For individuals who become university members of the Teachers' Retirement  
22 System on or after July 1, 2008, but prior to January 1, 2022, the retirement  
23 allowance shall be:
  - 24 1. One and one-half percent (1.5%) of the member's final average salary  
25 for each year of service if the member has earned ten (10) or less years  
26 of service at retirement;
  - 27 2. One and seven-tenths percent (1.7%) of the member's final average

- 1 salary for each year of service if the member has earned greater than ten  
2 (10) but no more than twenty (20) years of service at retirement;
- 3 3. One and eighty-five hundredths percent (1.85%) of the member's final  
4 average salary for each year of service if the member has earned greater  
5 than twenty (20) but less than twenty-seven (27) years of service at  
6 retirement; or
- 7 4. Two percent (2%) of the member's final average salary for each year of  
8 service if the member has earned twenty-seven (27) or more years of  
9 service at retirement;
- 10 (f) For individuals who become nonuniversity members of the Teachers'  
11 Retirement System on or after January 1, 2022, the retirement allowance shall,  
12 except as adjusted by the board pursuant to KRS 161.633, be the following  
13 percentage of the member's final average salary for each year of service:
- 14 1. One and seven-tenths percent (1.7%), which shall be increased  
15 incrementally each month the member's age at retirement is greater than  
16 sixty (60) so that the incremental increase is four one-hundredths of one  
17 percent (0.04%) for each complete additional year of age at retirement in  
18 excess of sixty (60), not to exceed a value of one and nine-tenths percent  
19 (1.9%) at age sixty-five (65) or greater; plus
- 20 2. a. One-quarter of one percent (0.25%), if the member has earned at  
21 least twenty (20) but less than thirty (30) years of service at  
22 retirement; or
- 23 b. One-half of one percent (0.50%), if the member has earned thirty  
24 (30) or more years of service at retirement;
- 25 (g) For individuals who become university members of the Teachers' Retirement  
26 System on or after January 1, 2022, the retirement allowance shall, except as  
27 adjusted by the board pursuant to KRS 161.634, be the following percentage

1 of the member's final average salary for each year of service:

2 1. Seven-tenths of one percent (0.7%), which shall be increased  
3 incrementally each month the member's age at retirement is greater than  
4 sixty (60) so that the incremental increase is four one-hundredths of one  
5 percent (0.04%) for each complete additional year of age in excess of  
6 sixty (60), not to exceed a value of nine-tenths of one percent (0.9%) at  
7 age sixty-five (65) or greater; plus

8 2. a. One-quarter of one percent (0.25%), if the member has earned at  
9 least twenty (20) but less than thirty (30) years of service at  
10 retirement; or

11 b. One-half of one percent (0.50%), if the member has earned thirty  
12 (30) or more years of service at retirement; and

13 (h) The retirement allowance of a member at retirement, as measured on a life  
14 annuity, shall not exceed the member's last yearly salary or the member's final  
15 average salary, whichever is the greater amount. For purposes of this section,  
16 "yearly salary" means the compensation earned by a member during the most  
17 recent period of contributing service, either consecutive or nonconsecutive,  
18 preceding the member's effective retirement date and shall be subject to the  
19 provisions of KRS 161.220(9) and (10). This paragraph shall not apply to the  
20 supplemental benefit component.

21 (2) Effective July 1, 2002, and annually on July 1 thereafter, the retirement allowance  
22 of each retired member and of each beneficiary of a retirement option shall be  
23 increased in the amount of one and one-half percent (1.5%), provided the retired  
24 member had been retired for at least the full twelve (12) months immediately  
25 preceding the date that the increase is effective. In the event that the retired member  
26 had been retired for less than the full twelve (12) months immediately preceding the  
27 date that the increase is effective, then the increase shall be reduced on a pro rata

1 basis by each month that the retired member had not been retired for the full twelve  
2 (12) months immediately preceding the effective date of the increase. This  
3 subsection shall not apply to benefits from the supplemental benefit component, and  
4 the board may adjust this value for individuals who become members on or after  
5 January 1, 2022, as provided by KRS 161.633 or 161.634, as applicable.

6 (3) Any member qualifying for retirement under a life annuity with refundable balance  
7 shall be entitled to receive an annual allowance amounting to not less than four  
8 hundred dollars (\$400) effective July 1, 2002, and not less than four hundred forty  
9 dollars (\$440) effective July 1, 2003, multiplied by the service credit years of the  
10 member. These minimums shall apply to the retired members receiving annuity  
11 payments and to those members retiring on or subsequent to the effective dates  
12 listed in this subsection, except the following:

13 (a) Individuals who become members of the Teachers' Retirement System on or  
14 after July 1, 2008; or

15 (b) Members whose retirement allowance payment is reduced below the  
16 minimum allowance as a result of its division in a qualified domestic relations  
17 order or any other provision permitted under KRS 161.700.

18 (4) The minimum retirement allowance provided in this section shall apply in the case  
19 of members retired or retiring under an option other than a life annuity with  
20 refundable balance in the same proportion to the benefits of the member and his or  
21 her beneficiary or beneficiaries as provided in the duly-adopted option tables at the  
22 time of the member's retirement.

23 (5) Effective July 1, 2008, the monthly allowance of each retired member and each  
24 recipient of a retirement option of the retired member may be increased in an  
25 amount not to exceed three and one-half percent (3.5%) of the monthly allowance  
26 in effect the previous month, provided the retired member had been retired for at  
27 least the full twelve (12) months immediately preceding the date that the increase is

1 effective. In the event that the retired member had been retired for less than the full  
2 twelve (12) months immediately preceding the date that the increase is effective,  
3 then the increase shall be reduced on a pro rata basis by each month that the retired  
4 member had not been retired for the full twelve (12) months immediately preceding  
5 the effective date of the increase. The level of increase provided for in this  
6 subsection shall be determined by the funding provided in the 2008-2010 biennium  
7 budget appropriation.

8 (6) Effective July 1, 2009, the monthly allowance of each retired member and each  
9 recipient of a retirement option of the retired member may be increased in an  
10 amount not to exceed seven-tenths of one percent (0.7%) of the monthly allowance  
11 in effect the previous month, provided the retired member had been retired for at  
12 least the full twelve (12) months immediately preceding the date that the increase is  
13 effective. In the event that the retired member had been retired for less than the full  
14 twelve (12) months immediately preceding the date that the increase is effective,  
15 then the increase shall be reduced on a pro rata basis by each month that the retired  
16 member had not been retired for the full twelve (12) months immediately preceding  
17 the effective date of the increase. The level of increase provided for in this  
18 subsection shall be determined by the funding provided in the 2008-2010 biennium  
19 budget appropriation.

20 (7) Effective July 1, 1990, monthly payments of two hundred dollars (\$200) shall be  
21 payable for the benefit of an adult child of a member retired for service when the  
22 child's mental or physical condition is sufficient to cause dependency on the  
23 member at the time of retirement. Eligibility for this payment shall continue for the  
24 life of the child or until the time the mental or physical condition creating the  
25 dependency no longer exists or the child marries. Benefits under this subsection  
26 shall apply to legally adopted survivors provided the proceedings for the adoption  
27 were initiated at least one (1) year prior to the death of the member. The board of

1 trustees shall be the sole judge of eligibility or dependency and may require formal  
2 application or information relating thereto. *This payment may be applied for and*  
3 *managed by the parent who is the retired member without necessity of court order*  
4 *or other legal authority.*

5 (8) Members of the Teachers' Retirement System shall be subject to the annuity income  
6 limitations imposed by Section 415 of the Internal Revenue Service Code.

7 (9) Compensation in excess of the limitations imposed by Section 401(a)(17) of the  
8 Internal Revenue Code shall not be used in determining a member's retirement  
9 annuity. The limitation on compensation for eligible members shall not be less than  
10 the amount which was allowed to be taken into account by the retirement system in  
11 effect on July 1, 1993. For this purpose, an eligible member is an individual who  
12 was a member of the retirement system before the first plan year beginning after  
13 December 31, 1995.

14 ➔Section 10. KRS 164.952 is amended to read as follows:

15 (1) As used in this section:

16 (a) "Police officer" has the same meaning as "police officer" in KRS 15.420, as  
17 "police officer" in KRS 164.950 to 164.980, and as "officer" in KRS 16.010;  
18 and

19 (b) "Postsecondary institution" means any public institution of postsecondary  
20 education authorized to establish a police department pursuant to KRS  
21 164.950 to 164.980 that participates in the Kentucky Employees Retirement  
22 System.

23 (2) A postsecondary institution may employ individuals as police officers under this  
24 section who have retired from the Kentucky Employees Retirement System, the  
25 County Employees Retirement System, or the State Police Retirement System.

26 (3) To be eligible for employment under this section, an individual shall have:

27 (a) Participated in the Law Enforcement Foundation Program fund under KRS

- 1           15.410 to 15.510, retired as a commissioned officer pursuant to KRS Chapter  
2           16, or retired as a police officer from a postsecondary institution;
- 3           (b) Retired with at least twenty (20) years of service credit;
- 4           (c) Been separated from service for the period required by KRS 61.637 or  
5           78.5540 so that the member's retirement is not voided;
- 6           (d) Retired with no administrative charges pending; and
- 7           (e) Retired with no preexisting agreement between the individual and the  
8           postsecondary institution prior to the individual's retirement for the individual  
9           to return to work for the postsecondary institution.
- 10       (4) Individuals employed under this section shall:
- 11           (a) Serve for a term not to exceed one (1) year. The one (1) year employment  
12           term may be renewed annually at the discretion of the employing  
13           postsecondary institution;
- 14           (b) Receive compensation according to the standard procedures applicable to the  
15           employing postsecondary institution; and
- 16           (c) Be employed based upon need as determined by the employing postsecondary  
17           institution.
- 18       (5) Notwithstanding any provisions of KRS 16.505 to 16.652, 18A.225 to 18A.2287,  
19           61.510 to 61.705, or 78.510 to 78.852 to the contrary:
- 20           (a) Individuals employed under this section shall continue to receive all  
21           retirement and health insurance benefits to which they were entitled upon  
22           retiring in the applicable system administered by Kentucky Retirement  
23           Systems;
- 24           (b) Individuals employed under this section shall not be eligible to receive health  
25           insurance coverage through the employing postsecondary institution;
- 26           (c) The postsecondary institution *shall pay the employer's normal cost*  
27           *contribution as defined by KRS 61.565 on any individual whose employment*

- 1           *term is established or renewed on or after July 1, 2027, but* shall not pay any  
2           *other* employer contributions or retiree health expense reimbursements to the  
3           Kentucky Retirement Systems required by KRS 61.637(17) for individuals  
4           employed under this section; and
- 5           (d) The postsecondary institution shall not pay any insurance contributions to the  
6           state health insurance plan, as provided by KRS 18A.225 to 18A.2287, for  
7           individuals employed under this section.
- 8           (6) Individuals employed under this section shall be subject to any legislative due  
9           process provisions applicable to police officers of the employing postsecondary  
10          institution. A decision not to renew a one (1) year appointment term under this  
11          section shall not be considered a disciplinary action or deprivation subject to due  
12          process.