

## **105 KAR 1:200. Retirement procedures and forms.**

RELATES TO: KRS 16.576, 16.577, 16.645, 61.590, 61.595, 61.623, 61.637, 61.680, 61.705, 78.545, 26 U.S.C. 401(a), 26 C.F.R. 1.401-1, 1.401(a)-1

STATUTORY AUTHORITY: KRS 61.590(1), 61.645(9)(e)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.645(9)(e) requires the Board of Trustees of Kentucky Retirement Systems to promulgate administrative regulations necessary or proper in order to carry out the provisions of KRS 61.510 to 61.705, 16.505 to 16.652, and 78.510 to 78.852. KRS 61.590(1) requires that a member or beneficiary eligible to receive retirement benefits have on file at the retirement office each form required by the board. This administrative regulation establishes the procedures and forms for application for and receipt of retirement benefits by members of the Kentucky Retirement Systems.

### **Section 1.**

#### **(1)**

(a) The member shall submit a Form 6000, Notification of Retirement, to the retirement systems no earlier than six (6) months prior to the member's desired effective retirement date. The retirement systems shall not process an invalid Form 6000, Notification of Retirement. If the member submits a Form 6000, Notification of Retirement, that is incomplete or is incorrect, the retirement systems shall find the Form 6000, Notification of Retirement, to be invalid and shall notify the member of the actions necessary for completion or correction.

(b) The retirement systems shall not process a Form 6000, Notification of Retirement, until the member certifies on the Form 6000 that there is no prearranged agreement for reemployment with a participating employer after the member's initial retirement date as required by KRS 61.637, 26 U.S.C. 401(a), 26 C.F.R. 1.401-1, and 1.401(a)-1.

(2) The member shall designate the beneficiary of the member's retirement allowance on the Form 6000, Notification of Retirement.

(3) The Form 6000, Notification of Retirement, shall be dated and the member's signature shall be witnessed.

#### **(4)**

(a) The member shall designate on the Form 6000, Notification of Retirement, all other state administered retirement systems from which the member is simultaneously retiring with reciprocity.

(b) If the member fails to retire from all state administered retirement systems simultaneously or with an effective retirement date within one (1) month of the member's effective retirement date in the Kentucky Employees Retirement System, the County Employees Retirement System, or the State Police Retirement System, the member shall not retire with reciprocity after the member's effective retirement date.

#### **(5)**

(a) The member may designate a federal tax withholding preference on the Form 6000, Notification of Retirement.

(b) If the member fails to designate a federal tax withholding preference, the retirement systems shall withhold federal tax based on married status with three (3) exemptions.

(c) A recipient of a monthly retirement allowance may submit a Form 6017, Federal Income Tax Withholding Preference for Periodic Payments to establish or change the recipient's federal tax withholding preference.

(d) A recipient of a monthly retirement allowance may establish or change the recipient's tax withholding preference via Retiree Self Service on the Web site maintained by Kentucky Retirement Systems.

#### **(6)**

- (a) The member may designate a beneficiary of the \$5,000 Death Benefit on the Form 6000, Notification of Retirement.
  - (b) A retired member may file a Form 6030, Death Benefit Designation, to designate or change the beneficiary of the \$5,000 death benefit at any time after the retired member begins receiving a monthly retirement allowance.
  - (c) If the member does not designate a beneficiary of the \$5,000 death benefit, the member's estate shall be the beneficiary.
  - (d) If the member files a Form 6030, Death Benefit Designation, to change the beneficiary of the \$5,000 death benefit that is incomplete or incorrect, the member's beneficiary designation on file at the retirement office shall remain in effect.
- (7)
- (a) The member shall authorize the direct deposit of the member's retirement allowance on the Form 6000, Notification of Retirement.
  - (b) The member shall attach to the Form 6000, Notification of Retirement:
    - 1. A voided personalized check for the account to which the retirement allowance is being deposited; or
    - 2. Verification from the financial institution receiving the electronic fund transfer.
  - (c) A recipient of a monthly retirement allowance may change the designated financial institution or account by filing a Form 6130, Authorization for Deposit of Retirement Payment, at the retirement office in Frankfort.
  - (d) A recipient of a monthly retirement allowance may establish or change the recipient's designated financial institution or account via Retiree Self Service on the Web site maintained by Kentucky Retirement Systems.
  - (e) The member shall submit a Form 6135, Request for Payment by Check, if the member does not currently have an account with a financial institution or the member's financial institution does not participate in the electronic funds transfer program.
- (8)
- (a) The member's employer shall complete Section H of the Form 6000, Notification of Retirement. If the employer does not complete Section H of the Form 6000, Notification of Retirement, the retirement systems shall only utilize the information reported by the member's employer and former employers to the retirement systems in accordance with KRS 61.675 and 78.625 and shall not include any additional sick leave, compensatory time, or projected salary increases in its calculations of the member's retirement allowance or eligibility to retire.
  - (b) Section H of the Form 6000, Notification of Retirement, shall be signed by a person designated by the employer on file at the retirement office.

## Section 2.

- (1)
- (a) The member shall provide the retirement systems with a copy of the member's birth certificate or other verification of date of birth of the member and, if a survivorship payment option is selected, a copy of the birth certificate or other verification of date of birth of the beneficiary named on the member's Form 6000, Notification of Retirement.
  - (b) If the member's or beneficiary's name is no longer the same as the name listed on the birth certificate or other verification of date of birth, the systems shall require the member or beneficiary to submit a marriage license, court order, or legally-binding documentation of the name change.
- (2) The retirement systems shall accept one (1) or more of the following as proof of date of birth of the member or beneficiary:
- (a) Age record of the Social Security Administration;
  - (b) Immigration and naturalization service records;

- (c) Birth certificate;
- (d) Military discharge;
- (e) U.S. passport;
- (f) Driver's license issued by the Commonwealth of Kentucky; or
- (g) Other reliable proof of date of birth that may be used by the courts to verify the person's date of birth.

#### Section 3.

- (1) The retirement systems shall provide an estimate of the member's retirement allowance based on the salary reported to the systems and information provided by the member's employer.
- (2) The payment options and amounts available to the member shall be printed on the Form 6010, Estimated Retirement Allowance, and provided to the member with a place to designate the member's choice of payment option.
- (3)
  - (a) The member shall designate a desired payment option and sign and date the Form 6010, Estimated Retirement Allowance.
  - (b) The member's signature on the Form 6010, Estimated Retirement Allowance, shall be witnessed and the Form 6010, Estimated Retirement Allowance, returned to the retirement office as required by subsection (4)(b) or (5) of this section.
- (4)
  - (a) The member shall terminate employment with all employers participating in the Kentucky Employees Retirement System, the County Employees Retirement System, and the State Police Retirement System no later than the month before the member's effective retirement date if the member is retiring pursuant to KRS 61.590(5)(a) or (c).
  - (b) The retirement office shall process the first payment in the month following the month in which the completed Form 6010, Estimated Retirement Allowance, and all other applicable forms and documents as provided in this administrative regulation, have been filed at the retirement office but not before the member's effective retirement date.
- (5) If the member is retiring pursuant to KRS 61.590(5)(c), the member shall return the Form 6010, Estimated Retirement Allowance, within six (6) months of the member's effective retirement date as provided on the member's Form 6000, Notification of Retirement to retain the effective date of retirement shown on the form.
- (6) If the member fails to return the Form 6010, Estimated Retirement Allowance, within six (6) months of the member's effective retirement date, the member's Form 6000, Notification of Retirement, shall be void and the member shall be required to submit a new Form 6000, Notification of Retirement and select a new effective retirement date. The member shall not select an effective retirement date prior to the date the Form 6000, Notification of Retirement is submitted.
- (7) If a member who is approved for disability retirement benefits fails to return the member's Form 6010, Estimated Retirement Allowance within six (6) months of the date the member is notified that the member's disability application has been approved, then the member's Form 6000, Notification of Retirement, and the approval of the member's application for disability retirement benefits shall be considered void. The member may file a subsequent Form 6000, Notification of Retirement, to re-apply for disability retirement benefits.
- (8) If a member's Form 6000, Notification of Retirement, is withdrawn, invalid, or voided, the beneficiary or beneficiaries and contingent beneficiary or beneficiaries designated on the last Form 2035, Beneficiary Designation, on file at the retirement office shall remain in full force and effect.

#### Section 4.

(1) The retirement office shall not process a monthly retirement allowance until the member has filed at the retirement office:

- (a) A properly signed, witnessed, and dated Form 6010, Estimated Retirement Allowance;
- (b) A copy of the member's birth verification;
- (c) A copy of the birth verification for the beneficiary if selecting a survivorship option; and
- (d)
  - 1. A completed Form 6130, Authorization for Deposit of Retirement Payment; or
  - 2. A completed Form 6135, Request for Payment by Check.

(2) The retirement office shall not process a lump sum retirement benefit until:

- (a) The member has filed at the retirement office:
  - 1. A properly signed, witnessed, and dated Form 6010, Estimated Retirement Allowance; and
  - 2. A Form 6025, Direct Rollover/Direct Payment Election Form for a Member or a Spouse Beneficiary of an Eligible Rollover Distribution; and
- (b) The member's employer has filed at the retirement office proof of the member's employment termination and reported all creditable compensation and accumulated sick leave.

#### Section 5. Incorporation by Reference.

(1) The following material is incorporated by reference:

- (a) Form 6000, "Notification of Retirement", May 2019;
- (b) Form 6010, "Estimated Retirement Allowance", May 2015;
- (c) Form 6130, "Authorization for Deposit of Retirement Payment", July 2015;
- (d) Form 6017, "Federal Income Tax Withholding Preference for Periodic Payments", May 2018;
- (e) Form 6030, "Death Benefit Designation", May 2015;
- (f) Form 6135, "Request for Payment by Check", July 2015;
- (g) Form 2035, "Beneficiary Designation", May 2015; and
- (h) Form 6025, "Direct Rollover/Direct Payment Election Form for a Member or a Spouse Beneficiary of an Eligible Rollover Distribution", May 2015.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m.

(18 Ky.R. 931; Am. 1324; eff. 11-8-1991; 21 Ky.R. 1523; eff. 2-8-1995; 23 Ky.R. 2834; 3311; 3554; eff. 2-26-1997; 27 Ky.R. 1048; 1443; eff. 12-21-2000; 29 Ky.R. 765; 1248; eff. 11-12-2002; 31 Ky.R. 383; 700; eff. 11-5-2004; 34 Ky.R. 117; 542; eff. 10-5-2007; 35 Ky.R. 108, Am. 536; eff. 10-3-2008; 42 Ky.R. 452; eff. 11-6-2015; 46 Ky.R. 74, 879, eff. 10-4-2019.)