

1 AN ACT relating to the retirement benefits of city elected officials and declaring an
2 emergency.

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

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

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

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

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

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

1 reemployment.

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

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

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

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

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

23 4. The retirement allowance payments resulting from the recomputation
24 under this subsection shall be payable in the month following the
25 termination of reemployment in lieu of payments under subparagraph 3.
26 The member shall not receive less in benefits as a result of the
27 recomputation than he was receiving prior to reemployment or would

1 receive as determined under KRS 61.691; and

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

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

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

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

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

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

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

17 (8) A retired member or his employer shall notify the retirement system if he has
18 accepted employment or is serving as a volunteer with an employer that participates
19 in the retirement system from which the member retired. The retired member and
20 the participating employer shall submit the information required or requested by the
21 systems to confirm the individual's employment or volunteer status.

22 (9) If the retired member is under a contract, the member shall submit a copy of that
23 contract to the retirement system, and the retirement system shall determine if the
24 member is an independent contractor for purposes of retirement benefits. The
25 retired member and the participating employer shall submit the information required
26 or requested by the systems to confirm the individual's employment or volunteer
27 status.

- 1 (10) If a member is receiving a retirement allowance, or has filed the forms required for
2 a retirement allowance, and is employed within one (1) month of the member's
3 initial retirement date in a position that is required to participate in the same
4 retirement system from which the member retired, the member's retirement shall be
5 voided and the member shall repay to the retirement system all benefits received.
6 The member shall contribute to the member account established for him prior to his
7 voided retirement. The retirement allowance for which the member shall be eligible
8 upon retirement shall be determined by total service and creditable compensation.
- 9 (11) (a) If a member of the Kentucky Employees Retirement System retires from a
10 department which participates in more than one (1) retirement system and is
11 reemployed within one (1) month of his initial retirement date by the same
12 department in a position participating in another retirement system, the retired
13 member's retirement allowance shall be suspended for the first month of his
14 retirement and the member shall repay to the retirement system all benefits
15 received for the month.
- 16 (b) A retired member of the County Employees Retirement System who after
17 initial retirement is hired by the county from which the member retired shall
18 be considered to have been hired by the same employer.
- 19 (12) (a) If a hazardous member who retired prior to age fifty-five (55), or a
20 nonhazardous member who retired prior to age sixty-five (65), is reemployed
21 within six (6) months of the member's termination by the same employer, the
22 member shall obtain from his previous and current employers a copy of the
23 job description established by the employers for the position and a statement
24 of the duties performed by the member for the position from which he retired
25 and for the position in which he has been reemployed.
- 26 (b) The job descriptions and statements of duties shall be filed with the retirement
27 office.

- 1 (13) If the retirement system determines that the retired member has been employed in a
2 position with the same principal duties as the position from which the member
3 retired:
- 4 (a) The member's retirement allowance shall be suspended during the period that
5 begins on the month in which the member is reemployed and ends six (6)
6 months after the member's termination;
- 7 (b) The retired member shall repay to the retirement system all benefits paid from
8 systems administered by Kentucky Retirement Systems under reciprocity,
9 including medical insurance benefits, that the member received after
10 reemployment began;
- 11 (c) Upon termination, or subsequent to expiration of the six (6) month period
12 from the date of termination, the retired member's retirement allowance based
13 on his initial retirement account shall no longer be suspended and the member
14 shall receive the amount to which he is entitled, including an increase as
15 provided by KRS 61.691;
- 16 (d) Except as provided in subsection (7) of this section, if the position in which a
17 retired member is employed after initial retirement is a regular full-time
18 position, the retired member shall contribute to a second member account
19 established for him in the retirement system. Service credit gained after the
20 member's date of reemployment shall be credited to the second member
21 account; and
- 22 (e) Upon termination, the retired member shall be entitled to benefits payable
23 from his second retirement account.
- 24 (14) (a) If the retirement system determines that the retired member has not been
25 reemployed in a position with the same principal duties as the position from
26 which he retired, the retired member shall continue to receive his retirement
27 allowance.

- 1 (b) If the position is a regular full-time position, the member shall contribute to a
2 second member account in the retirement system.
- 3 (15) (a) If a retired member is reemployed at least one (1) month after initial
4 retirement in a different position, or at least six (6) months after initial
5 retirement in the same position, and prior to normal retirement age, the retired
6 member shall contribute to a second member account in the retirement system
7 and continue to receive a retirement allowance from the first member account.
- 8 (b) Service credit gained after reemployment shall be credited to the second
9 member account. Upon termination, the retired member shall be entitled to
10 benefits payable from the second member account.
- 11 (16) A retired member who is reemployed and contributing to a second member account
12 shall not be eligible to purchase service credit under any of the provisions of KRS
13 16.505 to 16.652, 61.510 to 61.705, or 78.510 to 78.852 which he was eligible to
14 purchase prior to his initial retirement.
- 15 (17) Notwithstanding any provision of subsections (1) to (7)(a) and (10) to (15) of this
16 section, the following shall apply to retired members ~~[who retired prior to January~~
17 ~~1, 2019, and]~~who are reemployed by an agency participating in one (1) of the
18 systems administered by Kentucky Retirement Systems on or after September 1,
19 2008:
- 20 (a) Except as provided by paragraphs (c) and (d) of this subsection, if a member is
21 receiving a retirement allowance from one (1) of the systems administered by
22 Kentucky Retirement Systems, or has filed the forms required to receive a
23 retirement allowance from one (1) of the systems administered by Kentucky
24 Retirement Systems, and is employed in a regular full-time position required
25 to participate in one (1) of the systems administered by Kentucky Retirement
26 Systems or is employed in a position that is not considered regular full-time
27 with an agency participating in one (1) of the systems administered by

1 Kentucky Retirement Systems within three (3) months following the member's
2 initial retirement date, the member's retirement shall be voided, and the
3 member shall repay to the retirement system all benefits received, including
4 any health insurance benefits. If the member is returning to work in a regular
5 full-time position required to participate in one (1) of the systems
6 administered by Kentucky Retirement Systems:

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

15 (b) Except as provided by paragraphs (c) and (d) of this subsection, if a member is
16 receiving a retirement allowance from one (1) of the systems administered by
17 Kentucky Retirement Systems and is employed in a regular full-time position
18 required to participate in one (1) of the systems administered by Kentucky
19 Retirement Systems after a three (3) month period following the member's
20 initial retirement date, the member may continue to receive his or her
21 retirement allowance during the period of reemployment subject to the
22 following provisions:

- 23 1. Both the employee and participating agency shall certify in writing on a
24 form prescribed by the board that no prearranged agreement existed
25 between the employee and agency prior to the employee's retirement for
26 the employee to return to work with the participating agency. If an
27 elected official is reelected to a new term of office in the same position

1 and retires following the election but prior to taking the new term of
2 office, he or she shall be deemed by the system as having a prearranged
3 agreement under the provisions of this subparagraph and shall have his
4 or her retirement voided. If the participating agency or employer fail to
5 complete the certification, the member's retirement shall be voided and
6 the provisions of paragraph (a) of this subsection shall apply to the
7 member and the employer;

8 2. Notwithstanding any other provision of KRS Chapter 16, 61, or 78 to
9 the contrary, the member shall not contribute to the systems and shall
10 not earn any additional benefits for any work performed during the
11 period of reemployment;

12 3. Except as provided by KRS 70.291 to 70.293 and 95.022 and except for
13 any retiree employed as a school resource officer as defined by KRS
14 158.441, the employer shall pay employer contributions as specified by
15 KRS 61.565 and 61.702 on all creditable compensation earned by the
16 employee during the period of reemployment. The additional
17 contributions paid shall be used to reduce the unfunded actuarial liability
18 of the systems; and

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

27 (c) If a member is receiving a retirement allowance from the State Police

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

- 15 1. The member shall contribute to a member account established for him or
16 her in one (1) of the systems administered by Kentucky Retirement
17 Systems, and employer contributions shall be paid on behalf of the
18 member by the participating employer; 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 (d) If a member is receiving a retirement allowance from the State Police
24 Retirement System or from hazardous duty retirement coverage with the
25 Kentucky Employees Retirement System or the County Employees Retirement
26 System and is employed in a regular full-time position required to participate
27 in the State Police Retirement System or in a hazardous duty position with the

1 Kentucky Employees Retirement System or the County Employees Retirement
2 System after a one (1) month period following the member's initial retirement
3 date, the member may continue to receive his or her retirement allowance
4 during the period of reemployment subject to the following provisions:

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

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

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

7 (f) Notwithstanding any provision of this section, any mayor or member of a city
 8 legislative body who has not participated in the County Employees Retirement
 9 System prior to retirement for his or her service as a mayor or member of a
 10 city legislative body, but who is otherwise eligible to retire from one (1) or
 11 more of the systems administered by Kentucky Retirement Systems~~the~~
 12 ~~Kentucky Employees Retirement System or the State Police Retirement~~
 13 ~~System~~, shall not be:

- 14 1. Required to resign from his or her position as mayor or as a member of
 15 the city legislative body in order to begin drawing benefits from the
 16 Kentucky Employees Retirement System, the County Employees
 17 Retirement System, or the State Police Retirement System; or
- 18 2. Subject to any provision of this section as it relates solely to his or her
 19 service as a mayor or member of the city legislative body.

20 ~~[(18) Notwithstanding any provision of subsections (1) to (7)(a) and (10) to (17) of this~~
 21 ~~section, the following shall apply to retired members, retirees, or annuitants of the~~
 22 ~~systems or plans administered by the Kentucky Retirement Systems, the Judicial~~
 23 ~~Form Retirement System, and the Teachers' Retirement System, who retire and~~
 24 ~~begin drawing a retirement allowance on or after January 1, 2019, and are~~
 25 ~~reemployed on or after January 1, 2019, by an agency participating in the systems~~
 26 ~~administered by the Kentucky Retirement Systems:~~

27 ~~(a) Except as provided by paragraphs (c) and (d) of this subsection, if a retired~~

1 member is receiving a retirement allowance from the systems administered by
2 the Kentucky Retirement Systems and is reemployed in any position with an
3 agency participating in any of the systems administered by the Kentucky
4 Retirement Systems, regardless of whether or not the position is considered
5 regular full time under KRS 61.510(21), 78.510(21), or paragraph (g) of this
6 subsection, within a three (3) month period following the member's initial
7 retirement date from the systems, the member's retirement shall be voided and
8 the member shall repay to the system all benefits received, including any
9 health insurance benefits. If the member's retirement is voided as provided by
10 this paragraph and the member has returned to work in a position that is
11 considered a regular full time position in the systems administered by
12 Kentucky Retirement Systems as defined in KRS 61.510(21) or 78.510(21), as
13 applicable:

14 1. The member shall contribute to a member account established for him or
15 her in one (1) of the systems administered by the Kentucky Retirement
16 Systems and employer contributions shall be paid on behalf of the
17 member by the participating employer; and

18 2. Upon subsequent retirement, the member shall be eligible for a
19 retirement allowance based upon total service, accumulated account
20 balance, and creditable compensation, including any additional service,
21 creditable compensation, or accumulated account balance earned after
22 his or her initial retirement was voided, subject to the limitations of KRS
23 6.525, 21.374, 61.5955, or 61.5956;

24 (b) Except as provided by paragraphs (c) and (d) of this subsection, if a retired
25 member, annuitant, or retiree is receiving a retirement allowance from the
26 systems administered by the Kentucky Retirement Systems and is reemployed
27 or elected to a position with an agency participating in the systems

1 ~~administered by the Kentucky Retirement Systems after a three (3) month~~
2 ~~period following the member's initial retirement date from the system:~~

3 ~~1.— Both the employee and participating agency shall certify in writing on a~~
4 ~~form prescribed by the board that no prearranged agreement existed~~
5 ~~between the employee and agency prior to the employee's retirement for~~
6 ~~the employee to return to work with the participating agency. If an~~
7 ~~elected official is reelected to a new term of office in the same position~~
8 ~~and retires following the election but prior to taking the new term of~~
9 ~~office, he or she shall be deemed by the system as having a prearranged~~
10 ~~agreement under the provisions of this subparagraph and shall have his~~
11 ~~or her retirement voided. If the participating agency or employer fails to~~
12 ~~complete the certification, the member's retirement shall be voided and~~
13 ~~the provisions of paragraph (a) of this subsection shall apply to the~~
14 ~~member and the employer;~~

15 ~~2.— The member shall not contribute to the systems and shall not earn any~~
16 ~~additional benefits for any work performed during the period of~~
17 ~~reemployment;~~

18 ~~3.— The retired member may continue to draw his or her retirement~~
19 ~~allowance during the period of reemployment if:~~

20 ~~a.— The period of reemployment is not considered regular full-time as~~
21 ~~defined by paragraph (g) of this subsection; or~~

22 ~~b.— The period of reemployment is considered regular full-time but the~~
23 ~~member has not returned to reemployment for at least a twelve~~
24 ~~(12) month period following his or her initial retirement. If the~~
25 ~~member returns to reemployment in a regular full-time position~~
26 ~~after a three (3) month but prior to a twelve (12) month period~~
27 ~~following his or her initial retirement, then the member's~~

1 retirement allowance shall be suspended until twelve (12) months
2 following his or her initial retirement; and

3 4. ~~The employer shall pay the employer normal cost contributions as~~
4 ~~specified by KRS 61.565(1)(b) and 61.702, on all creditable~~
5 ~~compensation earned by the employee during the period of regular full-~~
6 ~~time reemployment, based upon the system in which the member is~~
7 ~~reemployed. The employer normal cost contributions shall be payable on~~
8 ~~the employee's behalf for the period of regular full-time reemployment~~
9 ~~and shall be used to pay down the unfunded liability of the systems;~~

10 (c) ~~If a member is receiving a retirement allowance from the State Police~~
11 ~~Retirement System or from hazardous duty retirement coverage with the~~
12 ~~Kentucky Employees Retirement System or the County Employees Retirement~~
13 ~~System or is a certified peace officer as provided in KRS Chapter 15, and is~~
14 ~~reemployed in any position with an agency participating in the systems or~~
15 ~~plans administered by the Kentucky Retirement Systems, regardless of~~
16 ~~whether or not the position is considered regular full-time under KRS~~
17 ~~61.510(21), 78.510(21), or paragraph (g) of this subsection, within a one (1)~~
18 ~~month period following the member's initial retirement date from the system,~~
19 ~~the member's retirement shall be voided and the member shall repay to the~~
20 ~~system or plan all benefits received, including any health insurance benefits. If~~
21 ~~the member's retirement is voided as provided by this paragraph and the~~
22 ~~member has returned to work in a position that qualifies for participation in a~~
23 ~~position that is considered a regular full-time position in the systems~~
24 ~~administered by Kentucky Retirement Systems as defined in KRS 61.510(21)~~
25 ~~or 78.510(21), as applicable:~~

26 1. ~~The member shall contribute to a member account established for him or~~
27 ~~her in one (1) of the systems administered by the Kentucky Retirement~~

1 ~~Systems and employer contributions shall be paid on behalf of the~~
2 ~~member by the participating employer; and~~

3 ~~2. Upon subsequent retirement, the member shall be eligible for a~~
4 ~~retirement allowance based upon total service, accumulated account~~
5 ~~balance, and creditable compensation, including any additional service,~~
6 ~~creditable compensation, or accumulated account balance earned after~~
7 ~~his or her initial retirement was voided, subject to the limitations of KRS~~
8 ~~6.525, 21.374, 61.5955, or 61.5956;~~

9 ~~(d) If a member is receiving a retirement allowance from the State Police~~
10 ~~Retirement System or from hazardous duty retirement coverage with the~~
11 ~~Kentucky Employees Retirement System or the County Employees Retirement~~
12 ~~System or is a certified peace officer as provided in KRS Chapter 15, and is~~
13 ~~reemployed with an agency participating in the systems administered by the~~
14 ~~Kentucky Retirement Systems after a one (1) month period following the~~
15 ~~member's initial retirement date from the system, the member may continue to~~
16 ~~receive his or her retirement allowance during the period of reemployment~~
17 ~~subject to the following provisions:~~

18 ~~1. Both the employee and participating agency shall certify in writing on a~~
19 ~~form prescribed by the board that no prearranged agreement existed~~
20 ~~between the employee and agency prior to the employee's retirement for~~
21 ~~the employee to return to work with the participating agency. If an~~
22 ~~elected official is reelected to a new term of office in the same position~~
23 ~~and retires following the election but prior to taking the new term of~~
24 ~~office, he or she shall be deemed by the system as having a prearranged~~
25 ~~agreement under the provisions of this subparagraph and shall have his~~
26 ~~or her retirement voided. If the participating agency or employer fails to~~
27 ~~complete the certification, the member's retirement shall be voided and~~

- 1 ~~the provisions of paragraph (c) of this subsection shall apply to the~~
2 ~~member and the employer;~~
- 3 ~~2. The member shall not contribute to the systems and shall not earn any~~
4 ~~additional benefits for any work performed during the period of~~
5 ~~reemployment; and~~
- 6 ~~3. The employer shall pay the employer normal cost contributions as~~
7 ~~specified by KRS 61.565(1)(b) and 61.702 on all creditable~~
8 ~~compensation earned by the employee during the period of regular full-~~
9 ~~time reemployment, based upon the system in which the member is~~
10 ~~reemployed. The employer normal cost contributions shall be payable on~~
11 ~~the employee's behalf for the period of regular full-time reemployment~~
12 ~~and shall be used to pay down the unfunded liability of the systems;~~
- 13 ~~(e) Notwithstanding paragraphs (a) to (d) of this subsection, a retired member~~
14 ~~who qualifies as a volunteer for an employer participating in one (1) of the~~
15 ~~systems administered by Kentucky Retirement Systems and who is receiving~~
16 ~~reimbursement of actual expenses, a nominal fee for his or her volunteer~~
17 ~~services, or both, shall not be considered an employee of the participating~~
18 ~~employer and shall not be subject to paragraphs (a) to (d) of this subsection if:~~
- 19 ~~1. Prior to the retired member's most recent retirement date, he or she did~~
20 ~~not receive creditable compensation from the participating employer for~~
21 ~~which the retired member is performing volunteer services;~~
- 22 ~~2. Any reimbursement or nominal fee received prior to the retired~~
23 ~~member's most recent retirement date has not been credited as creditable~~
24 ~~compensation to the member's account or utilized in the calculation of~~
25 ~~the retired member's benefits;~~
- 26 ~~3. The retired member has not purchased or received service credit under~~
27 ~~any of the provisions of KRS 61.510 to 61.705 or 78.510 to 78.852 for~~

1 service with the participating employer for which the retired member is
2 performing volunteer services; and

3 4. ~~Other than the status of volunteer, the retired member does not become~~
4 ~~an employee, leased employee, or independent contractor of the~~
5 ~~employer for which he or she is performing volunteer services for a~~
6 ~~period of at least twenty four (24) months following the retired~~
7 ~~member's most recent retirement date.~~

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

14 (f) ~~Notwithstanding any provision of this section, any mayor or member of a city~~
15 ~~legislative body who has not participated in the County Employees Retirement~~
16 ~~System prior to retirement, but who is otherwise eligible to retire from the~~
17 ~~Kentucky Employees Retirement System or the State Police Retirement~~
18 ~~System, shall not be:~~

19 1. ~~Required to resign from his or her position as mayor or as a member of~~
20 ~~the city legislative body in order to begin drawing benefits from the~~
21 ~~Kentucky Employees Retirement System or the State Police Retirement~~
22 ~~System; or~~

23 2. ~~Subject to any provision of this section as it relates solely to his or her~~
24 ~~service as a mayor or member of the city legislative body; and~~

25 (g) ~~For purposes of this subsection, "regular full time" shall mean any position~~
26 ~~that requires an average of one hundred (100) or more hours per month over a~~
27 ~~calendar or fiscal year basis, except that in the case of classified school board~~

1 employees it shall be more than one hundred (100) days of work during the
 2 fiscal year. Interim, temporary, or seasonal positions as defined and time
 3 limited by KRS 61.510(21) or 78.510(21) shall not be considered regular full-
 4 time; and

5 ~~(h) Notwithstanding any other provision of KRS Chapter 16, 61, or 78 to the~~
 6 ~~contrary, an individual who retires and begins drawing a retirement allowance~~
 7 ~~from one (1) or more of the systems or plans administered by the Teachers'~~
 8 ~~Retirement System or the Judicial Form Retirement System on or after~~
 9 ~~January 1, 2019, who is reemployed with an agency participating in one (1) of~~
 10 ~~the systems administered by Kentucky Retirement Systems, shall not be~~
 11 ~~eligible to earn benefits in the Kentucky Employees Retirement System,~~
 12 ~~County Employees Retirement System, or the State Police Retirement System~~
 13 ~~for reemployment that occurs on or after January 1, 2019.]~~

14 ➔ Section 2. KRS 78.540 is amended to read as follows:

15 Membership in the system shall consist of the following:

16 (1) All persons who become employees of a participating county after the date the
 17 county first participates in the system, except that:

18 (a) Mayors and members of city legislative bodies may decline prior to their
 19 participation in the system *with the city*;

20 (b) *In the event Kentucky Retirement Systems determines that a mayor or*
 21 *member of a city legislative body is required to participate in the County*
 22 *Employees Retirement System for his or her service to the city due to other*
 23 *covered employment in the County Employees Retirement System or due to*
 24 *failure to decline participation in the system as provided by paragraph (a) of*
 25 *this subsection, the mayor or member of the city legislative body may make*
 26 *an election to neither participate in nor receive benefits from the County*
 27 *Employees Retirement System due to his or her service to the city as a*

1 mayor or member of a city legislative body. If a mayor or member of a city
 2 legislative body makes an election described by this paragraph:

3 1. He or she shall be deemed as declining participation with the city as
 4 provided by paragraph (a) of this subsection; and

5 2. No contributions shall be payable by the employee or employer for his
 6 or her service as a mayor or member of a city legislative body, and any
 7 contributions paid to the system shall be refunded; and

8 (c) City managers or other appointed local government executives who participate
 9 in a retirement system, other than Social Security, may decline prior to their
 10 participation in the system;

11 (2) (a) All persons who are employees of a county on the date the county first
 12 participates in the system, either in service or on authorized leave from
 13 service, and who elect within thirty (30) days next following the county's
 14 participation, or in the case of persons on authorized leave, within thirty (30)
 15 days of their return to active service, to become members and thereby agree to
 16 make contributions as provided in KRS 78.520 to 78.852;

17 (b) All persons who are employees of a county who did not elect to participate
 18 within thirty (30) days of the date the county first participated in the system or
 19 within thirty (30) days of their return to active service and who subsequently
 20 elect to participate the first day of a month after the county's date of
 21 participation;

22 (3) All persons who declined participation in subsection (1) of this section and who
 23 later elect to participate. Persons who elect to participate under this subsection may
 24 purchase service credit for any prior years by paying a delayed contribution
 25 payment, provided the person began participating in the system prior to January 1,
 26 2014. The service shall not be included in the member's total service for purposes of
 27 determining benefits under KRS 61.702; and

- 1 (4) All persons electing coverage in the system under KRS 78.530(3)(d).
- 2 (5) The provisions of subsections (1) and (2) of this section notwithstanding, cities
3 which participate in the CERS and close existing local pension systems to new, or
4 all members pursuant to the provisions of KRS 78.530, 95.520, 95.621, or 95.852
5 shall not be required to provide membership in the County Employees Retirement
6 System to employees in any employee category not covered by a city pension
7 system at the date of participation.
- 8 (6) Membership in the system shall not include persons who are not eligible to
9 participate in the system as provided by KRS 61.522 or those employees who are
10 simultaneously participating in another state-administered defined benefit plan
11 within Kentucky other than those administered by the Kentucky Retirement
12 Systems, except for employees who have ceased to contribute to one (1) of the
13 state-administered retirement plans as provided in KRS 21.360.

14 ➔Section 3. Whereas ensuring continuity of elected officials in city governments
15 is important to the Commonwealth of Kentucky, an emergency is declared to exist, and
16 this Act takes effect upon its passage and approval by the Governor or upon its otherwise
17 becoming law.