

1 AN ACT relating to retirement.

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

3 ➔Section 1. KRS 61.675 is amended to read as follows:

- 4 (1) The employer shall prepare the records and, from time to time, shall furnish the  
5 information the system may require in the discharge of its duties. Upon employment  
6 of an employee, the employer shall inform him of his ***or her*** duties and obligations  
7 in connection with the system as a condition of employment.
- 8 (2) The system may at any time conduct an audit of the employer in order to determine  
9 if the employer is complying with the provisions of KRS 16.505 to 16.652, 61.610  
10 to 61.705, or 78.510 to 78.852. The system shall have access to and may examine  
11 all books, accounts, reports, correspondence files, and records of any employer.  
12 Every employer, employee, or agency reporting official of a department or county,  
13 as defined in KRS 78.510(3), having records in his ***or her*** possession or under his  
14 ***or her*** control, shall permit access to and examination of the records upon the  
15 request of the system.
- 16 (3) (a) Any agency participating in the Kentucky Employees Retirement System  
17 which is not an integral part of the executive branch of state government shall  
18 file the following at the retirement office on or before the tenth day of the  
19 month following the period being reported:
- 20 1. The employer and employee contributions required under KRS 61.560,  
21 61.565, and 61.702;
  - 22 2. The employer contributions and reimbursements for retiree health  
23 insurance premiums required under KRS 61.637; and
  - 24 3. A record of all contributions to the system on the forms prescribed by  
25 the board.
- 26 (b) If the agency fails to file all contributions and reports on or before the tenth  
27 day of the month following the period being reported, interest on the

1 delinquent contributions at the actuarial rate adopted by the board  
2 compounded annually, but not less than one thousand dollars (\$1,000), may be  
3 added to the amount due the system.

4 (4) If a nonhazardous employer in the Kentucky Employees Retirement System is  
5 delinquent in paying the employer contributions required by KRS 61.565 for a  
6 period of ninety (90) days or more for those contributions payable on or after July 1,  
7 2021, or if an employer who voluntarily ceases participation in the Kentucky  
8 Employees Retirement System as provided by KRS 61.522(8) elects to pay off the  
9 costs of ceasing participation by installment payments as provided by KRS  
10 61.522(8)(g) and subsequently is delinquent in making installment payments for a  
11 period of ninety (90) days or more:

12 (a) Employees of the employer who are participating in the system or who are  
13 continuing to participate in the system after the employer's effective cessation  
14 date as provided by KRS 61.522(8)(d)2. shall not accrue any additional  
15 service credit or benefits in the system through the employer or ceasing  
16 employer until such time as the employer has satisfied the required employer  
17 contributions or installment payments to the system;

18 (b) The board may file an action in the Franklin Circuit Court to collect any  
19 delinquent employer contributions or installment payments owed by the  
20 employer and to attach so much of the general fund appropriations of the  
21 delinquent employer as is necessary to achieve full compliance with the  
22 provisions of KRS 61.522(8) or 61.565; and

23 (c) The systems shall notify the Finance and Administration Cabinet, and the  
24 Finance and Administration Cabinet may withhold or intercept from the  
25 employer or ceasing employer a sufficient portion of any appropriated state  
26 funds not yet disbursed to the employer or ceasing employer to satisfy the  
27 required employer contributions or installment payments to the system.