

**KPPA Ad Hoc Regulations Committee
September 16, 2025 at 10:00 a.m. Eastern Time
Live Video Conference/Facebook Live**

AGENDA

- | | |
|--|---|
| 1. Call to Order | Keith Percy |
| 2. Opening Video Teleconference Statement | Legal Services |
| 3. Roll Call | Sherry Rankin |
| 4. Public Comment | Sherry Rankin |
| 5. Approval of Minutes*- March 6, 2025 | Keith Percy |
| 6. Administrative Regulation 105 KAR 1:445
Trustee Elections* | Kristen Coffey
Carole Catalfo |
| 7. Administrative Regulation 105 KAR 1:020
Reciprocal Program* | Carole Catalfo
Nathan Goodrich |
| 8. Administrative Regulation 105 KAR 1:150
Installment Purchase procedures* | Carole Catalfo
Nathan Goodrich |
| 9. Administrative Regulation 105 KAR 1:300
Determination of service credit for classified employees* | Carole Catalfo
Nathan Goodrich |
| 10. Administrative Regulation 105 KAR 1:340
Rollovers and transfers of contributions in other plans* | Carole Catalfo
Nathan Goodrich |
| 11. Administrative Regulation 105 KAR 1:350
Collection of account under \$1000 by next of kin* | Carole Catalfo
Nathan Goodrich |
| 12. Regulations for 7 year certification to LRC
105 KAR 1:320 Proration of service credit*
105 KAR 1:345 Rollovers and transfers of contributions
to other plans* | Carole Catalfo |
| 13. Upcoming Regulations overview | Nathan Goodrich |
| 14. Adjourn | Keith Percy |

***Action may be taken by the KPPA Ad Hoc Regulation Committee**

**MINUTES OF MEETING
KENTUCKY PUBLIC PENSIONS AUTHORITY
AD HOC REGULATION COMMITTEE
SPECIAL-CALLED MEETING
MARCH 6, 2025, AT 10:00 AM
VIA LIVE VIDEO TELECONFERENCE**

At the Special-Called Meeting of the Kentucky Public Pensions Authority Ad Hoc Regulation Committee held on March 6, 2025, the following members were present: Keith Percy (Chair), Jerry Powell, and George Cheatham. Staff members present were CERS CEO Ed Owens, III, KRS CEO John Chilton, Rebecca Adkins, Erin Surratt, Mike Lamb, Nathan Goodrich, Liza Welch, Jillian Hall, Jeff Pritchett, Wendi Pierce, Wes Crosthwaite, Shaun Case, Sandy Hardin, and Sherry Rankin.

1. Mr. Percy called the meeting to order.
2. Ms. Hale read the Opening Statement.
3. Ms. Rankin called roll.
4. No ***Public Comments*** were received.
5. Mr. Percy introduced agenda item ***Approval of Minutes – June 5, 2024*** (Video 00:05:43 to 00:06:05). Mr. Powell made a motion to approve the minutes as presented. Mr. Cheatham seconded the motion, and the motion passed unanimously.
- 6/7. Mr. Percy introduced agenda item ***Administrative Regulation 105 KAR 1:202 and Administrative Regulation 105 KAR 1:200*** (Video 00:06:05 to 00:10:27). Mr. Nathan Goodrich discussed the Administrative Regulations 105 KAR 1:202 and 105 KAR 1:200, noting their interrelated nature. Regulation 105 KAR 1:202 pertains to Form 6000, Notification of Retirement, and primarily serves as a housekeeping regulation. Whenever Form 6000 is updated, KPPA must go to LRC with each regulation that is affected by that

form and determine if it requires a technical update or the full regulation approval process. When we put the Form 6000 in its own regulation, then we only have to send that one regulation through the approval process, and then we can cross reference that regulation with other regulations that are affected.

Regulation 105 KAR 1:200 covers retirement procedures and had not been updated since 2021. This marks the first update following the KRS and CERS administration split and the creation of KPPA. The updates align with the current procedures and reflect operational practices rather than affecting members. Mr. Goodrich invited questions or comments on these regulations.

Mr. Cheatham made a motion to approve regulations 105 KAR 1:202 as presented, regarding Notification of Retirement, and 105 KAR 1:200 as presented, regarding Retirement Procedures, and to forward it to the full KPPA Board for its approval. Mr. Powell seconded the motion, and the motion passed unanimously.

Prior to adjourning, Mr. Peercy announced that this is Mr. Jerry Powell's last administrative regulation meeting. The Committee extended their gratitude for his service and wished him well in his future endeavors.

8. There being no further business, Mr. Peercy *adjourned* the meeting.

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CERTIFICATION

I do certify that I was present at this meeting, and I have recorded the above actions of the Kentucky Public Pensions Authority Ad Hoc Regulation Committee on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in conjunction with this meeting.

Recording Secretary

We, the Chair of the Kentucky Public Pensions Authority Ad Hoc Regulation Committee and Executive Director, do certify that the Minutes of Meeting held on March 6, 2025, were approved on September 16, 2025.

KPPA Ad Hoc Regulation Committee Chair

Executive Director

I have reviewed the Minutes of the March 6, 2025, Kentucky Public Pensions Authority Ad Hoc Regulation Committee Meeting for content, form, and legality.

Executive Director, Office of Legal Services



Brief for Administrative Regulations

Date: September 2025

1. Number and Title of Regulation(s): 105 KAR 1:445 Trustee Elections

☐ Emergency Regulation ☐ New Administrative Regulation ☒ Amendment
☐ Repealer ☐ Amended After Comments (w/SOC) ☐ Not Amended After Comments

2. Proposed schedule for regulation process:

File – by November 15, 2025

Public Comment period – through January 31, 2026

Public Hearing – January 26, 2026

ARRS – February 2026 (if no comments are received), March 2026 (if comments are received)

3. Statutory Authority: KRS 61.505(1)(g), 61.645(4)(j), 78.782(4)(j)

4. a) Major Economic Impact Certification (KRS 13A.010, Section 1(14): Will the combined implementation and compliance costs of this administrative regulation be at least five hundred thousand dollars (\$500,000) over any two-year period? No. The regulations are already being administered as written.

b) Cite the exemption under KRS 13A.105(2):

(a) Will not have a major economic impact:

(b) *Is an emergency administrative regulation that must be put into effect immediately to meet an imminent threat to public health, safety, or welfare;*

(c) *Is necessary to prevent the loss of federal or state funds;*

(d) *Is necessary to meet a deadline that is established by federal law, federal regulation, or state law;*

(e) *Is necessary to comply with a final order from a court of competent jurisdiction; or*

(f) *Relates to the licensure and regulation of health facilities and services pursuant to KRS Chapter 216B.*

5. If applicable, list the statute that requires this regulation to be submitted to another official or administrative body for review or approval prior to filing the administrative regulation with the LRC (KRS 13A.220, Section 5(6)(a)): None.

6. Summary of the Regulations:

KRS 61.505(1)(g) authorizes KPPA to promulgate administrative regulations on behalf of KERS and CERS that are consistent with KRS 16.505 to 16.652, 61.505, 61.510 to 61.705, and 78.510 to 78.852. KRS 61.645(4)(j) and 78.782(4)(j) authorize the systems to promulgate an administrative regulation to implement the use of electronic and telephonic ballots in the trustee election process and requires paper ballots to be mailed upon request of any eligible voter. This administrative regulation establishes the procedures and requirements for preparing and casting electronic, telephonic, and paper ballots, and the tabulation of the ballots for trustee elections.

7. Justification for Amendment(s) or New Regulation(s): Agency experience with elections and vendors, and needing additional time to develop, create, and mail ballots within regulatory and statutory deadlines,

as well as bulk mail expenses, prompted the amendments. The amendments provide a date certain by which eligible participants must provide their materials to the agency so that they may be included on a ballot, additional time for the agency and election services vendor to notify participants of how to become a trustee candidate and create the ballot while remaining within the statutory voting deadlines, remove the restriction of only providing details about voting by telephone on the ballot, remove provisions regarding returned ballots that no longer comply with agency protocol for changing mail and email addresses, add a section regarding filling trustee vacancies before the expiration of the term, and align language with KRS Chapter 13A drafting requirements.

8. Affected Entities: This administrative regulation will affect approximately 433,461 participants in the Kentucky Employees Retirement System, the State Police Retirement System, and the County Employees Retirement System. This administrative regulation will also affect the KPPA and its authorized election services vendors.

9. Is there a cost to or savings for the affected entities or the agency? If so, please explain and include funding source: The amendments should provide cost savings to the agency. Since the information for members employed as of December 31 does not arrive at the agency until around the second week in January, additional time to gather the information for, and delivery of, the mailing file to the election services vendor will eliminate short turnaround times that require overtime for agency audit and IT staff required to produce a second mailing after receiving the information. This could save the agency approximately \$1000.00 for 21.5 hours of collective staff time. The additional time to prepare ballots should also reduce mailing expenses. Finally, there may be a greater response to the election services vendor RFP since vendors previously indicated the short turnaround would not provide their print vendors with enough time to meet the regulatory mailing date of January 20. Administrative expenses of the KPPA are paid from the Retirement Allowance Account (trust and agency funds).

10. Is the regulation more stringent than federal regulation? If so, explain how and why: No.

11. Internal-External review/stakeholder involvement in promulgation process: The regulation was reviewed/discussed/ amended internally by staff and the Executive Team. Feedback from election service vendors during RFPs and the election process was also considered for amendments.

12. Comparison to Surrounding States: At least two sister states have similar or lengthier timeframes for trustee elections.

Ohio – the Board sets an election schedule in March, with the first Monday in October as the date that the Secretary of State supervises the election count. For 2025, nominating petitions and forms are due to the OPERS office on August 4, and ballots are mailed on August 26 (3 weeks). Ohio Rule 145-1-02 and

<https://www.opers.org/elections/>

Tennessee - The qualifying petition must be returned to the Tennessee Consolidated Retirement System by 4:30 p.m., Monday, March 3, 2025. Watch your email for voting ballots in May. (60 days)

<https://treasury.tn.gov/Portals/0/Documents/Retirement/Board%20Elections/Memorandum%20to%20State%20Personnel%20Officers%20Elections%20for%20TCRS%20Board.pdf>

13. Is Tiering Applied? (Explain why or why not): No, tiering is not applied. All candidates for trustee and voting members have the same requirements.

1 FINANCE AND ADMINISTRATION CABINET

2 Kentucky Public Pensions Authority

3 (Amendment)

4 105 KAR 1:445. Trustee elections.

5 RELATES TO: KRS 11A.020, 11A.040, 61.080, 61.505, 61.645, 78.782

6 STATUTORY AUTHORITY: KRS 61.505(1)(g), 61.645(4)(j), 78.782(4)(j)

7 CERTIFICATION STATEMENT: This is to certify that this administrative regulation
8 complies with the requirements of KRS 13A.105(2) because it does not have a major economic
9 impact.

10 NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.505(1)(g) authorizes the
11 Kentucky Public Pensions Authority to promulgate administrative regulations on behalf of the
12 Kentucky Retirement Systems and the County Employees Retirement System that are consistent
13 with KRS 16.505 to 16.652, 61.505, 61.510 to 61.705, and 78.510 to 78.852. KRS 61.645(4)(j)
14 and 78.782(4)(j) authorize the systems to promulgate an administrative regulation to implement
15 the use of electronic and telephonic ballots in the trustee election process and requires paper
16 ballots to be mailed upon request of any eligible voter. This administrative regulation establishes
17 the procedures and requirements for preparing and casting electronic, telephonic, and paper
18 ballots, and the tabulation of the ballots for trustee elections.

19 Section 1. Definitions.

20 (1) "Ballot" means an electronic or paper document that meets~~includes~~ the requirements

1 ~~of provisions required by~~ KRS 61.645(4)(c) and 78.782(4)(c), and for each candidate
2 includes~~the candidate's~~:

3 (a) A recent~~Recent~~ photograph;

4 (b) City and county of residence;

5 (c) Employer and position title, or the employer from which the candidate last worked or
6 retired, and the position title of the last position held;

7 (d) Education, including schools and universities attended and degrees earned;

8 (e) Any professional licenses or certifications~~held by the candidate~~;

9 (f) Any organization of which the candidate is a member that is listed on the candidate's
10 application; and

11 (g) The website~~Web site~~ address where each candidate's materials are~~filed Application~~
12 ~~for Trustee and resume is~~ available for viewing.

13 (2) "Board" means the Board of Trustees of the Kentucky Retirement Systems or the
14 Board of Trustees of the County Employees Retirement System.

15 (3) "Candidate" means a participant of the system for which the election is being held
16 who is nominated by:

17 (a) The~~Is nominated by the~~ relevant board; or

18 (b) Petition~~Is nominated by petition~~ of the members of the relevant system.

19 (4) "Election year" means the year of the:

20 (a) Expiration of a trustee's term of office; and~~the year of the~~

21 (b) Trustee election.

22 (5) "Eligible voter" means any person who:

23 (a) Is a participant of the system for which the vote is being taken on or before December

31 of the year preceding the election year; and

(b) Has on file:

1. A valid email address; or

2. If a paper ballot is requested pursuant to KRS 61.645(4)(j), a valid physical mailing address.

(6) "Plurality of votes" means a majority of valid votes cast in an election.

(7) "Resume" means a document that at a minimum includes the participant's:

(a) First and last name;

(b) Address;

(c) Phone number;

(d) E-mail address;

(e) Educational background; and

(f) Professional employment history that includes dates of employment, job title, employer name and address, and type of business.

(8) "Term of Office" means the period of membership on the relevant Board, which begins on April 1 of the year elected or appointed and ends on March 31 four (4) years thereafter.

(9) "Valid email address" means an email address the agency has on file for a participant that is operational and able to receive messages, or has not otherwise been deemed an invalid email address by the agency.

(10) "Valid physical mailing address" means the mailing address on file at which~~for~~ a participant~~where he or she~~ is able to receive U.S. mail, including a:

(a) Current~~A-current~~ street address;

1 (b)[A] Post Office box registered with the United States Postal Service; or

2 (c) Private[A-private] mailbox registered with a commercial mail receiving agency
3 established pursuant to the United States Postal Service regulation.

4 (11) "Valid vote" means a timely cast vote by an eligible voter that clearly designates[has
5 ~~clearly designated~~] the voter's choice of an eligible candidate or candidates.

6 (12) "Write-in" means casting a valid vote for an eligible candidate[a-person] not listed
7 on the ballot as a candidate by:

8 (a) Inserting their[his-or-her] name in the designated place when casting the vote by mail
9 or electronically; or

10 (b) Providing their[his-or-her] name when casting the vote by telephone.

11 (13) "Write-in candidate" means a person who is not listed on the ballot as a candidate
12 and has been inserted or provided as a write-in.

13 Section 2. Use of Third-party Vendors. Subject to KRS 61.505(3)(d), the agency may
14 contract with third-party vendors to provide services for the trustee election process as provided
15 by KRS 61.645(4) and 78.782(4).

16 Section 3. Election and ballot requirements.

17 (1) At the expiration of an elected trustee's term of office, an election shall occur for the:

18 (a)[The] Kentucky Retirement Systems Board of Trustees pursuant to KRS 61.645; and

19 (b)[The] County Employees Retirement System Board of Trustees pursuant to KRS
20 78.782.

21 (2) Ballots shall include:

22 (a) Candidates nominated by the Board in accordance with Section 4 of this
23 administrative regulation;

(b) Candidates nominated by Petition in accordance with Section 5 of this administrative regulation; or

(c) A write-in option.

(3) (a) On or before June 30~~[May 31]~~ of the year immediately preceding an election year, the agency shall provide notice to current participants detailing the steps they~~[he or she]~~ shall take to become a potential candidate.

(b) A participant shall only be a potential candidate if they~~[he or she]~~:

1. Are~~[Is]~~ a member or retired member of the system in which they are~~[he or she is]~~ seeking placement on the ballot~~[or is a retired member with the majority of his or her service in that system]~~,

2. Are a member or a retired member of County Employees Retirement System if they are seeking placement on the ballot for the County Employees Retirement System, and the agency verifies the majority of their~~[his or her]~~ service was earned in that system in a:

a. Nonhazardous position if they are seeking placement on the ballot for a trustee position under KRS 78.782(1)(a)(1)

b. Hazardous position if they are seeking placement on the ballot for a trustee position under KRS 78.782(1)(a)(2);

3. Are~~[2. Is]~~ not statutorily prohibited by virtue of term limits as established in KRS 61.645(3) and 78.782(3);

4. Complete~~[3. Completes]~~ the requirements of paragraph (c) of this subsection;

5. Pass~~[4. Passes]~~ the background check in accordance with subsection (4)(b) of this section;

6. Are~~[5. Is]~~ determined constitutionally compatible in accordance with subsection (4)(c)

of this section;

7. ~~Are[6. Is]~~ not a current or former employee of the agency, Kentucky Retirement Systems, or County Employees Retirement System, or are not otherwise prohibited from being placed[the Board in which he or she is seeking placement] on the ballot pursuant to KRS 61.545(6)(c) or 78.782(6)(c); and

8. ~~Are[7. Is]~~ not in violation of any provision of KRS 11A.020 or 11A.040 by a court of competent jurisdiction or any other statute.

(c) Each participant seeking to be a potential candidate shall file in accordance with~~the notice indicated in]~~ paragraph (a) of this subsection:

1. A valid Application for Trustee;

2. A resume with cover letter;

3. A recent color photograph; and

4. An authorization for the agency to complete a background check.

(4) (a) The agency shall review the filed documentation to ensure a potential candidate meets the requirements established in subsection (3)(b) of this section, and completed the requirements established in subsection (3)(c) of this section and KRS 61.645 and 78.782.

(b) A background check shall be completed for each potential candidate.

(c) If currently employed, the Kentucky Attorney General's Office shall review the potential candidate's employment to determine if it is constitutionally compatible with the trustee position in accordance with KRS 61.080, 61.645, 78.782, and the Kentucky Constitution Section 165. If the Kentucky Attorney General's Office indicates that the potential candidate's employment is not constitutionally compatible with the trustee position, the potential candidate shall be:

- 1 1. ~~Excluded~~~~[Be excluded]~~ from placement on the ballot; or
- 2 2. ~~Included~~~~[Be included]~~ for possible placement on the ballot if they provide a written
- 3 statement confirming their agreement~~[he or she agrees]~~ to resign from their~~[his or her]~~ current
- 4 position if elected~~[, and provides a written statement as such]~~.

5 Section 4. Nomination by the Board.

6 (1) The agency shall provide the respective Board of each system~~[system's Board]~~ with a

7 list of potential candidates who meet the requirements of Section 3(3) and (4) of this

8 administrative regulation, and each of their~~[his or her]~~ completed corresponding Applications for

9 Trustee.

10 (2) The name of each candidate nominated by the respective Board within six (6) months

11 prior to the end of a term of office shall be placed on the ballot.

12 Section 5. Petitions.

13 (1) To be included on the ballot by petition, the potential candidate shall file a valid

14 petition no later than October 31 of the year preceding the election year~~[four (4) months from the~~

15 ~~end of the term of office set to expire]~~.

16 (2) A valid petition is a petition that:

17 (a) Meets the requirements of Section 3(3) and (4) of this administrative regulation; and

18 (b) KRS 61.645(4)(b) or 78.782(4)(b).

19 (3) Each petition shall be reviewed by the agency to verify that each signature belongs to

20 a participant of the respective system.

21 (4) The name of each candidate who meets the requirements of this section shall be

22 placed on the ballot.

23 Section 6. Default to electronic ballots.

(1) The agency shall notify each eligible voter that an electronic ballot shall be provided unless they request~~[he or she requests]~~ a modification to the ballot type received in accordance with subsection (2) of this section.

(2) (a) A request to modify the ballot type shall be received on or before November 30 of the year preceding the election year in order to be effective for the upcoming election.

Modifications of the ballot type include changing from:

1. An~~[From an]~~ electronic ballot to a paper ballot; and
2. A~~[From a]~~ paper ballot to an electronic ballot.

(b) An eligible voter shall request a change in~~[change in]~~ the type of ballot:

1. Through the Self-Service Web site;
2. Via phone by calling the agency and providing their agency-issued~~[his or her agency issued]~~ personal identification number (PIN); or
3. By filing a signed written request.

(3) Once an eligible voter modifies the ballot type they receive~~[he or she receives]~~, the eligible voter shall receive the specified ballot type until they request~~[he or she requests]~~ a change in the ballot type in accordance with subsection (2) of this section.

Section 7. Ballot Preparation and Delivery.

(1) The agency or its third-party vendor shall prepare the official ballot within four (4) months of the nominations of the respective Board~~[no later than three (3) months prior to the expiration of the term of office]~~. The ballot shall:

- (a) Provide a unique voter identification number;
- (b) Provide details on how to vote~~[by telephone]~~;
- (c) Contain instructions defining what constitutes a valid vote; and

1 (d) Indicate that any invalid vote shall not be counted.

2 (2) Ballots shall be provided to eligible voters~~[the eligible voter]~~ on or before January
3 28[20] of the election year.

4 (a) The agency or its third-party vendor shall email electronic ballots to~~[For an electronic~~
5 ~~ballot,~~ the email address on file unless the eligible voter:

6 1. Has requested a paper ballot which shall be sent to their last valid physical mailing
7 address on file; or

8 2. Only has a valid physical mailing address on file to which a paper ballot shall be
9 sent~~[on or before December 31 of the year preceding the election year shall be used. If the~~
10 ~~eligible voter does not have a valid email address on file, the electronic ballot shall not be sent. If~~
11 ~~the agency discovered the invalid email address on or before one (1) week prior to the deadline~~
12 ~~to cast a valid vote, a paper ballot shall be mailed in accordance with paragraph (b) of this~~
13 ~~subsection.~~

14 (b) ~~For a paper ballot, the valid physical mailing address on file on or before December 31~~
15 ~~of the year preceding the election year shall be used. If a returned paper ballot is received:~~

16 1. With notification of a new mailing address from the United States Postal Service, the
17 ballot will be mailed to the new address if the notification is received on or before one (1) week
18 prior to the date the vote shall be cast; or

19 2. With no notification of a new mailing address from the United States Postal Service,
20 on or before one (1) week prior to deadline to cast a valid vote, if the participant has a valid
21 email address on file, an electronic ballot shall be sent in accordance with paragraph (a) of this
22 subsection].

23 (b)~~(c)~~ The ballot shall not be provided if there is no valid physical mailing address and

1 no valid email address on file.

2 (3) The agency and its third-party vendor shall be held harmless for any incorrect email
3 address or mailing address submitted by the participant or inadvertently entered by the agency or
4 its third-party vendor.

5 Section 8. Casting of Votes.

6 (1) In order to be accepted and counted as a valid vote pursuant to KRS 61.645:

7 (a) Electronic votes and votes by telephone shall be cast on or before March 1 of the
8 election year; and~~[For an electronic vote or vote by telephone to be accepted and counted as a~~
9 ~~valid vote, it shall be cast on or before the end of day on March 1 of the election year, except as~~
10 ~~provided in paragraph (b) of this subsection.]~~

11 (b) Paper votes~~[For paper voting, the vote]~~ shall be on a ballot postmarked to the required
12 address by~~[the end of day on]~~ March 1 of the election year.

13 (2) (a) For an electronic or paper ballot, the eligible voter shall:

14 1. Indicate the candidate or candidates of their~~[his or her]~~ choice pursuant to KRS
15 61.645(4)(f) and 78.782(4)(f); or

16 2. Indicate a write-in option and add the name of an eligible participant as specified by
17 the Board for which the vote is being cast.

18 (b) To cast a vote by electronic ballot, the eligible voter shall electronically sign the
19 completed ballot on the Web site provided~~[to him or her]~~ and follow any other prompts.

20 (c) To cast a vote by paper ballot, the eligible voter shall sign the completed ballot and
21 mail it to the address indicated on the paper ballot.

22 (3) To cast a vote by telephone, the eligible voter shall:

23 (a) Call the number provided on the paper or electronic ballot;

1 (b) Provide their~~[his or her]~~ unique voter identification number;

2 (c) Indicate the candidate or write-in candidate of their~~[his or her]~~ choice verbally; and

3 (d) Follow any other prompts.

4 (4) Each eligible voter shall cast only one (1) vote per open position in each applicable
5 system and any subsequent vote received or submitted shall be invalid and not accepted.

6 Section 9. Review of Cast Votes.

7 (1) The third-party vendor shall review each cast vote to determine~~[ascertain]~~ whether it
8 is a valid vote.

9 (2) (a) Invalid votes shall include ballots:

10 1. Returned to the agency or third-party vendor for faulty or invalid physical mailing
11 addresses or email addresses;

12 2. Incorrectly returned or mailed to the street address of the agency or third-party vendor;
13 or

14 3. That do not comply with Section 8 of this administrative regulation.

15 (b) Invalid votes shall not be considered or counted. Once the final results are announced,
16 the ballots from these invalid votes shall be shredded or otherwise electronically destroyed by the
17 third-party vendor and a certificate shall be provided to the agency confirming the shredding or
18 destruction of these ballots.

19 Section 10. Tabulation of Votes.

20 (1) After totaling the valid votes, the third-party vendor shall certify the results of the
21 election in writing to the Chair of the respective Board in care of the Chief Executive Officer.
22 The certified results shall be provided to the agency on or before March 15 of the election year.

23 (2) Once all valid votes have been counted and the results are final, the third-party vendor

shall destroy all ballots, including ballots or data generated and stored from electronic or telephone votes, and provide a certificate confirming the destruction of the ballots or data to the agency.

(3) The candidate or write-in candidate with the plurality of votes is~~[votes is]~~ elected to the vacant trustee position and shall begin their~~[his or her]~~ term of office on April 1 of the election year.

(4) The agency shall notify each balloted candidate~~[and write in candidate]~~ of the outcome of the election.

Section 11. Board Vacancies.

(1) The agency shall notify participants of the vacancy of an elected trustee during an unexpired term within thirty (30) days of the vacancy occurring. The notice shall detail the steps members or retired members shall take to become a potential candidate.

(2) In order to be an eligible candidate for the trustee vacancy, a participant shall:

(a) Meet the requirements established in Section 3(3)(b) of this administrative regulation;
and

(b) File the materials established in Section 3(3)(c) of this administrative regulation with the agency no later than sixty (60) days after the vacancy occurs.

(3) The agency shall provide a list of eligible candidates to the applicable board for consideration and appointment by majority vote of the remaining elected trustees pursuant to KRS 61.645(5) or 78.782(5)(a).

Section 12. Incorporation by reference.

(1) "Application for Trustee", March 2022, is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright

- 1 law, at the Kentucky Public Pensions Authority, 1260 Louisville Road, Frankfort, Kentucky
- 2 40601, Monday through Friday, 8 a.m. to 4:30 p.m. This material is also available on the
- 3 agency's Web site at <https://kyret.ky.gov>.

105 KAR 1:445. Trustee elections is approved for filing.

Ryan Barrow,
Executive Director
Kentucky Public Pensions Authority

Date

105 KAR 1:445. Trustee elections.

Certified pursuant to KRS 13A.150(2) and (3):

No signature pursuant to current litigation in Franklin County Circuit Court (Case No. 25-CI-00269).

Andy Beshear
Governor

Date

Ryan Barrow
Executive Director
Kentucky Public Pensions Authority

Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on Monday, January 26, 2026 at 10:00 a.m. Eastern Time at the Kentucky Public Pensions Authority (KPPA), 1270 Louisville Road, Frankfort, Kentucky 40601. Individuals interested in presenting a public comment at this hearing shall notify this agency in writing no later than five (5) workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through January 31, 2026 and shall receive the same consideration as verbal comments. Send written notification of intent to be heard at the public hearing, or written comments on the proposed administrative regulation, to the contact person.

KPPA shall file a response with the Regulations Compiler to any public comments received, whether at the public comment hearing or in writing, via a Statement of Consideration no later than the 15th day of the month following the end of the public comment period, or upon filing a written request for extension, no later than the 15th day of the second month following the end of the public comment period.

Contact person: Carole J. Catalfo
Policy Specialist
Kentucky Public Pensions Authority
1260 Louisville Road
Frankfort, Kentucky 40601
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REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

105 KAR 1:445

Contact Person: Carole J. Catalfo

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(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the procedures and requirements for preparing and casting electronic, telephonic, and paper ballots, and the tabulation of ballots, for trustee elections.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to establish the procedures and requirements for preparing and casting electronic, telephonic, and paper ballots, and the tabulation of ballots, for trustee elections.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 61.505(1)(g) authorizes the Kentucky Public Pensions Authority to promulgate administrative regulations on behalf of the Kentucky Retirement Systems and the County Employees Retirement System that are consistent with KRS 16.505 to 16.652, 61.505, 61.510 to 61.705, and 78.510 to 78.852. KRS 61.645(4)(j) and 78.782(4)(j) authorize the systems to promulgate an administrative regulation to implement the use of electronic and telephonic ballots in the trustee election process and requires paper ballots to be mailed upon request of any eligible voter. This administrative regulation establishes the procedures and requirements for preparing and casting electronic, telephonic, and paper ballots, and the tabulation of ballots, for trustee elections.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation assists with the effective administration of the statutes by establishing the procedures and requirements for preparing and casting electronic, telephonic, and paper ballots, and the tabulation of ballots, for trustee elections.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The amendment to this administrative regulation provides a date certain by which eligible participants must provide their materials to the agency so that they may be included on a ballot, additional time for the agency and election services vendor to notify participants of how to become a trustee candidate and create the ballot while remaining within the statutory voting deadlines, removes the restriction of only providing details about voting by telephone on the ballot, removes provisions regarding returned ballots that no longer comply with agency protocol for changing mail and email addresses, adds a section regarding filling trustee vacancies before

the expiration of the term, and aligns language with KRS Chapter 13A drafting requirements.

(b) The necessity of the amendment to this administrative regulation: Agency experience with elections and vendors, and needing additional time to develop, create, and mail ballots within regulatory and statutory deadlines, as well as qualifying for a bulk mail discount, prompted the amendment. The amendment to this administrative regulation is necessary to provide a date certain by which eligible participants must provide their materials to the agency so that they may be included on a ballot, additional time for the agency and election services vendor to notify participants of how to become a trustee candidate and create the ballot while remaining within the statutory voting deadlines, removes the restriction of only providing details about voting by telephone on the ballot, removes provisions regarding returned ballots that no longer comply with agency protocol for changing mail and email addresses, adds a section regarding filling trustee vacancies before the expiration of the term, and aligns language with KRS Chapter 13A drafting requirements.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 61.505(1)(g) authorizes the Kentucky Public Pensions Authority to promulgate administrative regulations on behalf of the Kentucky Retirement Systems and the County Employees Retirement System that are consistent with KRS 16.505 to 16.652, 61.505, 61.510 to 61.705, and 78.510 to 78.852. KRS 61.645(4)(j) and 78.782(4)(j) authorize the systems to promulgate an administrative regulation to implement the use of electronic and telephonic ballots in the trustee election process and requires paper ballots to be mailed upon request of any eligible voter. This administrative regulation establishes the procedures and requirements for preparing and casting electronic, telephonic, and paper ballots, and the tabulation of ballots, for trustee elections.

(d) How the amendment will assist in the effective administration of the statutes: The amendment to this administrative regulation will assist in the effective administration of the statutes by providing a date certain by which eligible participants must provide their materials to the agency so that they may be included on a ballot, additional time for the agency and election services vendor to notify participants of how to become a trustee candidate and create the ballot while remaining within the statutory voting deadlines, removes the restriction of only providing details about voting by telephone on the ballot, removes provisions regarding returned ballots that no longer comply with agency protocol for changing mail and email addresses, adds a section regarding filling trustee vacancies before the expiration of the term, and aligns language with KRS Chapter 13A drafting requirements.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation will affect approximately 433,461 participants in the Kentucky Employees Retirement System, the State Police Retirement System, and the County Employees Retirement System. This administrative regulation will also affect the Kentucky Public Pensions Authority and its authorized vendors.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an

amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: The regulated community will be minimally impacted because the administrative regulation is already being substantially implemented as written. The amendment to this administrative regulation will assist in the effective administration of trustee elections by providing a date certain by which eligible participants must provide their materials to the agency so that they may be included on a ballot, additional time for the agency and election services vendor to notify participants of how to become a trustee candidate and create the ballot while remaining within the statutory voting deadlines, removes the restriction of only providing details about voting by telephone on the ballot, removes provisions regarding returned ballots that no longer comply with agency protocol for changing mail and email addresses, and adds a section regarding filling trustee vacancies before the expiration of the term.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): The cost of compliance with the amendment is minimal because the administrative regulation is already being substantially implemented as written.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The regulated community will benefit from this amendment which provides a date certain by which eligible participants must provide their materials to the agency so that they may be included on a ballot, provides additional time for the agency and election services vendor to notify participants of how to become a trustee candidate and create the ballot while remaining within the statutory voting deadlines will also provide cost savings, removes the restriction of only providing details about voting by telephone on the ballot, removes provisions regarding returned ballots that no longer comply with agency protocol for changing mail and email addresses, and adds a section regarding filling trustee vacancies before the expiration of the term.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: The cost of implementing the amendment is minimal because the administrative regulation is already being substantially implemented as written.

(b) On a continuing basis: The continuing cost to implement the amendment is minimal.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Administrative expenses of the Kentucky Public Pensions Authority are paid from the Retirement Allowance Account (trust and agency funds).

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: An increase in fees or funding will not be necessary.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This administrative regulation does not establish or increase any fees directly or indirectly.

(9) TIERING: Is tiering applied? (Explain why or why not) Tiering is not applied. The regulated entity, potential trustee candidates, and members are subject to the same requirements, processes, and procedures.

FISCAL IMPACT STATEMENT

105 KAR 1:445

Contact Person: Carole J. Catalfo

Phone: (502) 696-8679

Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 61.505(1)(g) authorizes the Kentucky Public Pensions Authority to promulgate administrative regulations on behalf of the Kentucky Retirement Systems and the County Employees Retirement System that are consistent with KRS 16.505 to 16.652, 61.505, 61.510 to 61.705, and 78.510 to 78.852. KRS 61.645(4)(j) and 78.782(4)(j) authorize the systems to promulgate an administrative regulation to implement the use of electronic and telephonic ballots in the trustee election process and requires paper ballots to be mailed upon request of any eligible voter. This administrative regulation establishes the procedures and requirements for preparing and casting electronic, telephonic, and paper ballots, and the tabulation of ballots, for trustee elections.

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act: KRS 61.505(1)(g), 61.645(4)(j), 78.782(4)(j)

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions: The promulgating agency is the Kentucky Public Pensions Authority. This administrative regulation does not affect any other state unit, part, or division.

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:

For the first year: None.

For subsequent years: None.

2. Revenues:

For the first year: None.

For subsequent years: None.

3. Cost Savings:

For the first year: The amendments should provide cost savings to the agency. Since the information for members employed as of December 31 does not arrive at the agency until around the second week in January, additional time to gather the information for, and delivery of, the mailing file to the election services vendor will eliminate short turnaround times that require overtime for agency audit and IT staff required to produce a second mailing after receiving the information. This could save the agency approximately \$1000.00 for 21.5 hours of collective staff time. The additional time to prepare ballots should also reduce mailing expenses and increase the bulk discount rate. Finally, there may be a greater response to the election services vendor RFP since vendors previously indicated the short turnaround would not provide their print vendors with enough time to meet the regulatory mailing date of January 20.

For subsequent years: This amendment could save the agency approximately \$1000.00 for 21.5 hours of collective staff time whenever a trustee election is held.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts): There are no affected local entities.

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:
 - For the first year: N/A
 - For subsequent years: N/A
2. Revenues:
 - For the first year: N/A
 - For subsequent years: N/A
3. Cost Savings:
 - For the first year: N/A
 - For subsequent years: N/A

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a): There are no additional regulated entities.

(b) Estimate the following for each affected local entity identified in (5)(a):

1. Expenditures:
 - For the first year: N/A
 - For subsequent years: N/A
2. Revenues:
 - For the first year: N/A
 - For subsequent years: N/A
3. Cost Savings:
 - For the first year: N/A
 - For subsequent years: N/A

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation: The amendments should provide cost savings to the agency. Since the information for members employed as of December 31 does not arrive at the agency until around the second week in January, additional time to gather the information for, and delivery of, the mailing file to the election services vendor will eliminate short turnaround times that require overtime for agency audit and IT staff required to produce a second mailing after receiving the information. This could save the agency approximately \$1000.00 for 21.5 hours of collective staff time. The additional time to prepare ballots should also reduce mailing expenses and increase the bulk discount rate. Finally, there may be a greater response to the election services vendor RFP since vendors previously indicated the short turnaround would not provide their print vendors with enough time to meet the regulatory mailing date of January 20.

(b) Methodology and resources used to determine the fiscal impact: This agency analyzed costs and procedures for past trustee elections, including overtime required for agency staff, the opportunity for better bulk discounts, and feedback from, and the shortage of, available election services vendors under the current regulatory deadlines.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(13): No, this administrative regulation will not have a major economic impact as defined by KRS 13A.010(13). This administrative regulation is already being substantially administered as written, and costs are covered in an existing contract between the Kentucky Public Pensions Authority and its election services vendor.

(b) The methodology and resources used to reach this conclusion: This agency analyzed costs and procedures for past trustee elections, including overtime required for agency staff, the opportunity for better bulk discounts, and feedback from, and the shortage of, available election services vendors under the current regulatory deadlines.

SUMMARY OF MATERIALS INCORPORATED BY REFERENCE

“Application for Trustee”, March 2022, is a 2-page form used by system participants to file an application to become a Trustee candidate for their respective Board.



APPLICATION FOR TRUSTEE

Kentucky Public Pensions Authority

1260 Louisville Rd. • Frankfort KY 40601-6124

Phone: (502) 696-8800 • Fax: (502) 696-8801 • kyret.ky.gov

Deaf/Hard of Hearing TTY (502)564-4306

Trustee Information

Today's Date (mm/dd/yyyy)		Date of Birth (mm/dd/yyyy) <i>For identification purposes only</i>	
Phone (select type) <input type="checkbox"/> Mobile <input type="checkbox"/> Home		Work Phone No.	
Last Name		First Name	Middle Name
			Other Name (if any)
Select Retirement System in which you have majority of service: <input type="checkbox"/> CERS <input type="checkbox"/> CERS-H <input type="checkbox"/> KERS <input type="checkbox"/> KERS-H <input type="checkbox"/> SPRS			
Position(s) held in above selected system: 			

Constitutional Incompatibility: Your application will not be processed if you select No.

- ☐ Yes ☐ No Some Constitutional Offices or positions of public employment are considered constitutionally incompatible with other Constitutional Offices (see KRS 61.645, KRS 61.080, and Kentucky Constitution Section 165). If upon review of your application, it is deemed that you hold a Constitutional Office or position of employment that is incompatible with the office of Trustee, do you agree to resign that position prior to the beginning of the term of Trustee or to withdraw your application for Trustee upon notice of the incompatibility?

The following are examples of positions that **may** be constitutionally incompatible with the office of Trustee: Commissioner of the fiscal court in counties containing a city of the first class; Member of the legislative body of cities of the first class; Mayor and member of the legislative council of a consolidated local government; Mayor and member of the legislative body in cities of the home rule class; County Indexer; member of the Public Service Commission of Kentucky; member of the Worker's Compensation Board; an appointed office of a special purpose governmental entity that has the authority to levy taxes; and an officer or employee of any county, city, town, or other municipality. **This list is not all inclusive.** Current work information will be submitted to the Office of the Attorney General of Kentucky to make the final determination on constitutional compatibility.

Background

- ☐ Yes ☐ No Have you ever been convicted of or plead guilty to a felony? If yes, list offense(s), date(s) of offense(s), date(s) of conviction(s) or plea(s), and jurisdiction(s) in which the offense(s) occurred. Conviction is not an automatic rejection of application.

Conflict of Interest

- ☐ Yes ☐ No Do you or any member(s) of your immediate family own more than 5% interest in an entity that does business or might seek to do business with the CERS Board, KRS Board, or KPPA? If yes, please list below.

- ☐ Yes ☐ No Do you or any member(s) of your immediate family serve in a leadership or fiduciary capacity with an entity that does business or might seek to do business with the CERS Board, KRS Board, or KPPA? If yes, please list below.

- ☐ Yes ☐ No Do you have any other actual or potential conflicts of interest that may hinder or prevent you from serving as a Trustee? If yes, please list below.

Name: _____

Date _____

Licenses or Certificates: Please list any professional licenses or certifications you currently hold.

License or Certification Title & Number	Original Issue Date	Current Expiration Date	Name, Address & Phone of Licensing Agency

Membership in Organizations: Indicate current membership in professional organizations, if you wish for the organization to be listed in your biography.

ORGANIZATION	TITLE	DATE MEMBERSHIP EXPIRES

In order to be considered as an applicant for the position of Trustee, along with the completed application, you must submit the following items:

1. Cover Letter explaining your qualifications for serving as a trustee and why you would like to serve as a trustee.
2. Detailed résumé which includes name, address, phone number, e-mail address, educational background, and employment history. Employment history must include dates of employment, job title, employer name and address, and type of business.
3. Color picture, 5x7 or larger, in PNG or JPG format submitted to trustee.election@kyret.ky.gov.
4. Release for criminal background check to be completed by Kentucky State Police. Payment for the background check will be made by the retirement system conducting the election.

Please note that name and current work related information provided by applicants will be forwarded to the Office of the Attorney General of Kentucky who will then determine whether the member is constitutionally eligible to join the Board of Trustees.

Signature - Please read and sign the following statement:

I certify, under penalty of law, that the information given in this application is correct and complete to the best of my knowledge.

Date _____

Signature: _____



Brief for Administrative Regulations

Date: September 2025

1. **Number and Title of Regulation(s):** 105 KAR 1:020. Reciprocal program between CERS, KERS, SPRS, TRS, JRP and LRP

☐ Emergency Regulation ☐ New Administrative Regulation ☒ Amendment
☐ Repealer ☐ Amended After Comments (w/SOC) ☐ Not Amended After Comments

2. **Proposed schedule for regulation process:**

File – by November 15, 2025

Public Comment period – through January 31, 2026

Public Hearing – January 26, 2026

ARRS – February 2026 (if no comments are received), March 2026 (if comments are received)

3. **Statutory Authority:** KRS 61.505(1)(g) and 61.645(9)(e), 61.680 and 78.5542.

4. **a) Major Economic Impact Certification (KRS 13A.010, Section 1(14): “Major economic impact” means the combined implementation and compliance costs of an administrative regulation are at least five hundred thousand dollars (\$500,000) over any two (2) year period;**

b) Cite the exemption under KRS 13A.105(2):

(a) Will not have a major economic impact;

(b) Is an emergency administrative regulation that must be put into effect immediately to meet an imminent threat to public health, safety, or welfare;

(c) Is necessary to prevent the loss of federal or state funds;

(d) Is necessary to meet a deadline that is established by federal law, federal regulation, or state law;

(e) Is necessary to comply with a final order from a court of competent jurisdiction; or

(f) Relates to the licensure and regulation of health facilities and services pursuant to KRS Chapter

216B.

5. **If applicable, list the statute that requires this regulation to be submitted to another official or administrative body for review or approval prior to filing the administrative regulation with the LRC (KRS 13A.220, Section 5(6)(a)):** None.

6. **Summary of the Regulation:** KRS 61.505(1)(g) and 61.645(9)(e) authorize the Board of Trustees to promulgate all administrative regulations necessary or proper in order to carry out the provisions of KRS 16.505 to 16.652, 61.505 to 61.705, and 78.520 to 78.852. KRS 61.680 and 78.5542 provide for the combining of retirement accounts for public employees having a retirement account in more than one (1) of the following state administered retirement systems: County Employees Retirement System, Kentucky Employees Retirement System, Judicial Retirement Plan, Legislators Retirement Plan, State Police Retirement System and Teachers' Retirement System. This administrative regulation establishes requirements to implement KRS 61.680 and 78.5542.

7. **Justification for Amendment(s) or New Regulation(s):** The amendment corrects and adds statutory references, adds a definition for “death benefit” or “survivor benefit”, adds benefit calculations for Tier 2

employees, clarifies calculations for participation under KRS 6.577 and 21.427, removes a form that has been incorporated by reference into its own regulation, reorganizes related substantive provisions, and clarifies terms and aligns language with KRS Chapter 13A drafting requirements.

8. **Affected Entities:** This administrative regulation affects the Kentucky Public Pensions Authority, the state-administered retirement systems, and only those members who are or become eligible to purchase service credit and who have an account in more than one system. There are approximately 433,461 members in the state-administered retirement systems.

9. **Is there a cost to or savings for the affected entities or the agency? If so, please explain and include funding source:** The cost for the amendment is minimal because the administrative regulation is already being substantially implemented as written. Administrative expenses of the Kentucky Public Pensions Authority are paid from the Retirement Allowance Account (trust and agency funds).

10. **Is the regulation more stringent than federal regulation? If so, explain how and why:** No.

11. **Internal-External review/stakeholder involvement in promulgation process:** The regulation was reviewed/discussed/and amended internally by staff and the Executive Team.

12. **Is Tiering Applied? (Explain why or why not):** No, tiering is not applied in either regulation. All members who wish to keep their accounts separated have the same requirements.

1 FINANCE AND ADMINISTRATION CABINET

2 Kentucky Public Pensions Authority

3 (Amendment)

4 105 KAR 1:020. Reciprocal program between CERS, KERS, SPRS, TRS, JRP and LRP.

5 RELATES TO: KRS 6.500-6.577, 16.505 – 16.652~~[16.505-16.645]~~, 21.345-21.570,
6 61.510-61.705, 78.510-78.990, 161.600(3), 161.675

7 STATUTORY AUTHORITY: KRS 61.505(1)(g), 61.645(9)(e), 61.680, 78.552

8 CERTIFICATION STATEMENT: This is to certify that this administrative regulation
9 complies with the requirements of KRS 13A.105(2) because it does not have a major economic
10 impact.

11 NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.505(1)(g) and 61.645(9)(e)
12 authorize~~[authorizes]~~ the Board of Trustees of the Kentucky Public Pensions Authority
13 ~~[Kentucky Retirement Systems]~~ to promulgate all administrative regulations necessary or proper
14 in order to carry out the provisions of KRS 16.505 to 16.652, 61.505~~[61.515]~~ to 61.705,~~[16.510~~
15 ~~to 16.652,~~] and 78.520 to 78.852. KRS 61.680 and 78.5542 provide~~[provides]~~ for the combining
16 of retirement accounts for public employees having a retirement account in more than one (1) of
17 the following state administered retirement systems: County Employees Retirement System,
18 Kentucky Employees Retirement System, Judicial Retirement Plan, Legislators Retirement Plan,
19 State Police Retirement System and Teachers' Retirement System. This administrative regulation
20 establishes requirements to implement KRS 61.680 and 78.5542.

Section 1. Definitions.

“Death benefit” or “survivor benefit” means a payment to a beneficiary of a deceased member who met the eligibility requirements of KRS 16.578(1), 61.640(1), or 78.5532(1) on the date of their death.

Section 2. General Provisions.

(1) To determine benefits upon the ~~Upon~~ death, disability or service retirement of a member having an account in more than one (1) state-administered retirement system, the Kentucky Public Pensions Authority shall ~~the following procedure shall be applicable in order to determine benefits for a member having an account in more than one (1) retirement system~~:

(a) ~~(1)~~ Combine the member's service in all systems; ~~and~~

(b) ~~(2)~~ Determine eligibility in each system based on combined service; ~~and~~

(c) ~~(3)~~ If eligible in any system, determine benefits; ~~and~~

(d) ~~(4)~~ Check for specific exceptions such as prior service, request for separate account or special death or disability exception.

(2) The earliest membership date among the systems in which the member has service shall be used to calculate the benefits in each system ~~(5) Each system shall pay the applicable percentage of total benefit unless a specific exception exists~~.

Section 3. Service Retirement ~~Section 2~~.

(1) A member eligible to retire who elects service retirement from one (1) system, shall be paid from all systems in which the member ~~he~~ has an account unless they request that their ~~he requests that his~~ accounts be separated.

(2) The "final compensation" shall be calculated by:

(a) For a member with a membership date prior to September 1, 2008, using the five (5)

highest, or three (3) highest, if eligible, fiscal years creditable compensation regardless of the system under which the service was earned, except as provided in KRS 61.680(7).

(b) For a member with a membership date on or after September 1, 2008 but prior to January 1, 2014 who is employed in a:

1. Nonhazardous position, using the five (5) complete fiscal years immediately preceding retirement regardless of the system under which the service was earned, except as provided in KRS 61.680(7). Fiscal years added to the final compensation calculation to reach sixty (60) months shall be added regardless of the system under which the service was earned; and

2. Hazardous position, by using the highest complete fiscal years regardless of the system under which the service was earned, except as provided in KRS 61.680(7). Fiscal years added to the final compensation calculation to reach thirty-six (36) months shall be added regardless of the system under which the service was earned.

(3) Each system shall determine benefit payments on the basis of the final compensation but using only the service earned in that system. Payments shall be made by each system in accordance with its usual procedures. If a member is not eligible for an unreduced benefit, benefits shall be actuarially reduced based on factors adopted by the respective retirement boards.

(4) The retiring member or beneficiary shall be required to elect the same payment option in each system administered by the Kentucky Public Pensions Authority~~[Retirement Systems]~~ except that a member of the State Police Retirement System~~[state policeman]~~ or a member with hazardous service may select the "Ten (10) Year Certain" option established~~[set forth]~~ in KRS 16.576(4) irrespective of the option chosen for nonhazardous service in another retirement system administered by the Kentucky Public Pensions Authority.

(5) (a) A ~~retiring~~ member may elect to have each system treat their~~his~~ service credit in that system without regard to any other service credit, by requesting that their~~his~~ accounts be separated by filing a Form 2022, Separation of Accounts; or

(b) Failing to retire from the other state-administered retirement system within one (1) calendar month of their effective retirement date with the retirement systems administered by Kentucky Public Pensions Authority. A member will not be considered to have failed to retire from the other state-administered retirement system on the basis of the other state-administered retirement system's determination, notwithstanding the provisions of KRS 61.680, that the member is only eligible for a refund of contributions from the other state-administered retirement system ~~[, with the Form 6000, Notification of Retirement]~~.

(6) If so requested, "final compensation" shall be based on the creditable compensation earned under each system separately.

Section 4. Disability Retirement~~[Section 3]~~.

(1) (a) If a contributing member of one (1) of the six (6) state-administered retirement systems qualifies for disability benefits, all systems under which the combined service meets service requirements shall participate in benefit payments unless accounts are separated by provisions of KRS 61.680(2)(b).

(b) Each system shall calculate benefits using the formula in effect in that system.

(c) Service added to County Employees Retirement System, Kentucky Employees Retirement System and State Police Retirement System accounts in accordance with the appropriate disability formula established in 105 KAR 1:210, Section 11~~9~~, shall be prorated between system accounts based on a percentage of actual earned service in each system unless such proration conflicts with maximum added service permitted by law governing each system.

(d) Service added to Teachers Retirement System accounts pursuant to KRS 161.661(4) shall be actual earned service and upon such an award of service the Kentucky Public Pensions Authority shall recalculate the service to be added to the County Employees Retirement System, Kentucky Employees Retirement System, and State Police Retirement System accounts using the appropriate disability formula as established in 105 KAR 1:210, Section 11.

(2) If the combined service of a member meets service requirements in only one (1) system then that system shall pay benefits under the disability formula and the other system shall pay[as follows]:

(a) Benefits based on separate accounts if the member elects to maintain separate accounts;

(b) An actuarial accrued benefit based on the member's age, service and final compensation; or

(c) A refund, if requested by the member.

(3) The medical requirements for disability benefits shall be those of the system to which the member last contributed if combined service meets service requirements of that system. If service requirements are met in only one (1) system, the medical requirements of that system shall prevail.

(4) The process established in this section shall also be followed if the member qualifies for duty-related injury or death benefits pursuant to KRS 61.621.

Section 5. Survivor Benefit~~[Section 4]~~. A member contributing to any of the six (6) state-administered retirement systems who has combined service sufficient to qualify their beneficiaries for a survivor~~[death]~~ benefit shall have their~~[his]~~ County Employees Retirement System, Kentucky Employees Retirement System, or State Police Retirement System benefits

computed under the regular survivor~~[death]~~ formula based on their~~[his]~~ service in each of the three (3) systems.

Section 6. Service Purchases~~[Section 5]~~. A member having valid service credit in more than one (1) of the retirement systems administered by Kentucky Public Pensions Authority~~[Retirement Systems]~~ who is eligible to purchase service credit may elect to purchase service credit in one (1) system, or~~[he]~~ may divide the service credit between the systems permitting purchase. If service is to be divided~~[, the following additional requirements shall be met]~~:

(1) The same years of service shall not be used in more than one (1) system; and~~[-]~~

(2) Each system shall calculate the costs of the retirement credit pursuant to~~[in keeping with]~~ the statutes and administrative regulations of that system.

Section 7. Medical Insurance~~[Section 6]~~.

(1) A retiring member with service in more than one state-administered retirement system~~[the Kentucky Teachers' Retirement System and one (1) or more of the three (3) systems administered by Kentucky Retirement Systems]~~ shall have their~~[his]~~ total service in all~~[four (4)]~~ systems combined to determine their~~[his]~~ eligibility for medical insurance benefits. The systems shall share the cost of the member's premium under this section based on the member's~~[his]~~ combined service.

(2) If the member meets the minimum eligibility requirements, the member may elect to participate in the insurance program established in~~[under]~~ KRS 6.577, 16.645, 21.427, 61.702, 78.5536, or 161.675. The premium paid from the insurance funds shall not be more than 100 percent of the single premium amount adopted by the respective boards of trustees or more than the maximum percentage payable under the program established under KRS 6.577, 16.645,

1 21.427, 61.702, 78.5536, or 161.675.

2 (3) (a) If the member elects to participate in the program under KRS 61.702 or 78.5536,
 3 the member's service in the state-administered retirement systems shall be combined to
 4 determine the applicable percentage that shall be paid toward their[his] individual coverage
 5 under KRS 61.702(3) and 78.5536(3).

6 (b) The state-administered retirement systems shall pay a pro rata share of the member's
 7 premium based on the service in each system expressed as a percentage of total service credit
 8 earned in all systems not to exceed the amount of the single monthly contribution rate[premium
 9 cost] adopted by the Board of Trustees of Kentucky Retirement Systems or the Board of Trustees
 10 of County Employees Retirement System.

11 1. The amount paid by the Kentucky Teachers' Retirement System shall not exceed the
 12 amount of the single monthly contribution rate[premium-cost] adopted by the Board of Trustees
 13 of the Kentucky Teachers' Retirement System.

14 2. The Kentucky Teachers' Retirement System shall not pay a percentage of the premium
 15 for a[the] spouse or[and] dependents.

16 (4) (a) If the member elects to participate in the program under KRS 161.675, the
 17 member's service in the state-administered retirement systems shall be combined to determine
 18 the applicable percentage that shall be paid under KRS 161.675(4)[161.675(3)].

19 (b) The state-administered retirement systems shall pay a pro rata share of the member's
 20 premium based on the service in each system expressed as a percentage of total service credit
 21 earned in all systems,~~[including service in the Legislators' Retirement Plan and Judicial~~
 22 ~~Retirement Plan,]~~ not to exceed the amount paid toward the monthly contribution[premium-cost]
 23 adopted by the Board of Trustees of Kentucky Teachers' Retirement System.

1. The amount paid by the Kentucky Employees Retirement System, County Employees Retirement System and State Police Retirement System shall not exceed the amount of the single monthly contribution~~[premium cost]~~ adopted by the Board of Trustees of the Kentucky Retirement Systems and the Board of Trustees of County Employees Retirement System.

2. The Kentucky Employees Retirement System, County Employees Retirement System and State Police Retirement System shall not pay a percentage of the premium for a~~the~~ spouse or dependents.

(c) Premiums payable pursuant to KRS 161.675 shall be paid by the Kentucky Teachers' Retirement System. The County Employees Retirement System, Kentucky Employees Retirement System, and State Police Retirement System shall reimburse the Teachers' Retirement System for the portion of the premium attributable to service in those systems.

(5) (a) If the member elects to participate in the program under KRS 6.577 or 21.427, the member's service in the systems shall be combined to determine the applicable percentage that shall be paid under KRS 21.427(2)(a).

(b) The state-administered systems shall each pay a pro rata share of the member's premium based on the service in each system expressed as a percentage of total service credit earned in all state-administered retirement systems, not to exceed the amount paid toward the monthly contribution adopted by the Board of Trustees of the Judicial Form Retirement System.

1. The amount paid by the County Employees Retirement System, Kentucky Employees Retirement System, and State Police Retirement System shall not exceed the amount of the single monthly contribution adopted by the Board of Trustees of the Kentucky Retirement Systems and the Board of Trustees of the County Employees Retirement Systems.

2. The County Employees Retirement System, Kentucky Employees Retirement System,

and State Police Retirement System shall not pay a percentage of the monthly contribution for a spouse or dependents.

(c) Premiums payable pursuant to KRS 6.577 or 21.427 shall be paid by the Judicial Form Retirement System. The County Employees Retirement System, Kentucky Employees Retirement System, and State Police Retirement System shall reimburse Judicial Form Retirement System for the portion of the premium attributable to service in those systems.

(6)(a) Premiums payable pursuant to~~[under]~~ KRS 61.702 and 78.5536 shall be paid by the Kentucky Employees Retirement System, County Employees Retirement System, and State Police Retirement System. The Kentucky Teachers' Retirement System or Judicial Form Retirement System shall reimburse the systems for the portion of the premium attributable to service in that system.

(b) Premiums payable pursuant to~~[under]~~ KRS 161.675 shall be paid by the Kentucky Teachers' Retirement System. The Kentucky Employees Retirement System, County Employees Retirement System, and State Police Retirement System shall reimburse the system for the portion of the premium attributable to service in those systems.

Section ~~8~~⁷. Incorporation by Reference.

~~(1) [The following material is incorporated by reference:~~

~~(a)] "Form 2022, Separation of Accounts, 11/25", Kentucky Public Pensions Authority is incorporated by reference~~^{[August 2002", Kentucky Retirement Systems; and}

~~(b) "Form 6000, Notification of Retirement, July 2004", Kentucky Retirement Systems].~~

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Public Pensions Authority~~[Retirement Systems, Perimeter Park West]~~, 1260 Louisville Road, Frankfort, Kentucky 40601-6124, Monday through Friday, 8 a.m. to 4:30 p.m.

- 1 and on the agency's website at kyret.ky.gov.

105 KAR 1:020. Reciprocal program between CERS, KERS, SPRS, TRS, JRP and LRP is approved for filing.

Ryan Barrow,
Executive Director
Kentucky Public Pensions Authority

Date

105 KAR 1:020 Reciprocal program between CERS, KERS, SPRS, TRS, JRP and LRP.

Certified pursuant to KRS 13A.150(2) and (3):

No signature pursuant to current litigation in Franklin County Circuit Court (Case No. 25-CI-00269).

Andy Beshear
Governor

Date

Ryan Barrow
Executive Director
Kentucky Public Pensions Authority

Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on Monday, January 26, 2026 at 10:00 a.m. Eastern Time at the Kentucky Public Pensions Authority (KPPA), 1270 Louisville Road, Frankfort, Kentucky 40601. Individuals interested in presenting a public comment at this hearing shall notify this agency in writing no later than five (5) workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through January 31, 2026 and shall receive the same consideration as verbal comments. Send written notification of intent to be heard at the public hearing, or written comments on the proposed administrative regulation, to the contact person.

KPPA shall file a response with the Regulations Compiler to any public comments received, whether at the public comment hearing or in writing, via a Statement of Consideration no later than the 15th day of the month following the end of the public comment period, or upon filing a written request for extension, no later than the 15th day of the second month following the end of the public comment period.

Contact person: Carole J. Catalfo
Policy Specialist
Kentucky Public Pensions Authority
1260 Louisville Road
Frankfort, Kentucky 40601
Phone (502) 696-8679
Fax (502) 696-8615
Email: Legal.Non-Advocacy@kyret.ky.gov

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

105 KAR 1:020

Contact Person: Carole J. Catalfo

Phone: (502) 696-8679

Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the procedures for determining retirement benefits for public employees who have retirement accounts in more than one state-administered retirement system.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to establish the procedures for determining retirement benefits for public employees who have retirement accounts in more than one state-administered retirement system.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 61.505(1)(g) and 61.645(9)(e) authorize the Board of Trustees of the Kentucky Public Pensions Authority to promulgate all administrative regulations necessary or proper in order to carry out the provisions of KRS 16.505 to 16.652, 61.505 to 61.705, and 78.520 to 78.852. KRS 61.680 and 78.5542 provide for the combining of retirement accounts for public employees having a retirement account in more than one (1) of the following state administered retirement systems: County Employees Retirement System, Kentucky Employees Retirement System, Judicial Retirement Plan, Legislators Retirement Plan, State Police Retirement System and Teachers' Retirement System. This administrative regulation establishes requirements to implement KRS 61.680 and 78.5542.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation is necessary to establish the procedures for determining retirement benefits for public employees who have retirement accounts in more than one state-administered retirement system.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The amendment corrects and adds statutory references, adds a definition for “death benefit” or “survivor benefit”, adds benefit calculations for Tier II employees, clarifies calculations for participation under KRS 6.577 and 21.427, removes a form that has been incorporated by reference into its own regulation, reorganizes related substantive provisions, and clarifies terms and aligns language with KRS Chapter 13A drafting requirements.

(b) The necessity of the amendment to this administrative regulation: The amendment is necessary to correct and add recent statutory references, add a definition for “death benefit” or

“survivor benefit”, add benefit calculations for Tier II employees, clarify calculations for participation under KRS 6.577 and 21.427, remove a form that has been incorporated by reference into its own regulation, reorganize related substantive provisions, and clarify terms and align language with KRS Chapter 13A drafting requirements.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 61.505(1)(g) and 61.645(9)(e) authorize the Board of Trustees of the Kentucky Public Pensions Authority to promulgate all administrative regulations necessary or proper in order to carry out the provisions of KRS 16.505 to 16.652, 61.505 to 61.705, and 78.520 to 78.852. KRS 61.680 and 78.5542 provide for the combining of retirement accounts for public employees having a retirement account in more than one (1) of the following state administered retirement systems: County Employees Retirement System, Kentucky Employees Retirement System, Judicial Retirement Plan, Legislators Retirement Plan, State Police Retirement System and Teachers' Retirement System. This administrative regulation establishes requirements to implement KRS 61.680 and 78.5542.

(d) How the amendment will assist in the effective administration of the statutes: The amendment will assist in the effective administration of the statutes by correcting and adding recent statutory references, adding a definition for “death benefit” or “survivor benefit”, adding benefit calculations for Tier II employees, clarifying calculations for participation under KRS 6.577 and 21.427, removing a form that has been incorporated by reference into its own regulation, reorganizing related substantive provisions, and clarifying terms and aligning language with KRS Chapter 13A drafting requirements.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation affects the Kentucky Public Pensions Authority, the state-administered retirement systems, and only those members who are or become eligible to purchase service credit and who have an account in more than one system. There are approximately 433,461 members in the state-administered retirement systems.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: The regulated community will be minimally impacted because the administrative regulation is already being implemented as written.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There will be no additional costs to comply with the amendment because it is already being implemented as written.

(c) As a result of compliance, what benefits will accrue to the entities identified in

question (3): The regulated community will benefit from corrected and the addition of recent statutory references, the new definition for “death benefit” or “survivor benefit”, benefit calculations for Tier II employees, clarified calculations for participation under KRS 6.577 and 21.427, the removal of a form that has been incorporated by reference into its own regulation, reorganized related substantive provisions, and clarified terms in language that aligns with KRS Chapter 13A drafting requirements.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There will be no additional costs because the regulation is already being implemented as written.

(b) On a continuing basis: There will be no additional costs because the regulation is already being implemented as written.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Administrative expenses of the Kentucky Public Pensions Authority are paid from the Retirement Allowance Account (trust and agency funds).

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No, an increase in fees or funding will not be necessary.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: No, this administrative regulation does not establish any fees or directly or indirectly increase any fees.

(9) TIERING: Is tiering applied? (Explain why or why not) No, tiering is not applied. The processes and procedures are the same for all members.

FISCAL IMPACT STATEMENT

105 KAR 1:020

Contact Person: Carole J. Catalfo

Phone: (502) 696-8679

Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 61.505(1)(g), 61.645(9)(e), 61.680 and 78.5542.

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act: KRS 61.505(1)(g), 61.645(9)(e), 61.680 and 78.5542.

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions: The promulgating agency is the Kentucky Public Pensions Authority. Affected state units are the state-administered retirement systems.

(b) Estimate the following for each affected state unit, part, or division identified in

(3)(a):

1. Expenditures:

For the first year: None.

For subsequent years: None.

2. Revenues:

For the first year: None.

For subsequent years: None.

3. Cost Savings:

For the first year: None.

For subsequent years: None.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts): There are no affected local entities.

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year: N/A

For subsequent years: N/A

2. Revenues:

For the first year: N/A

For subsequent years: N/A

3. Cost Savings:

For the first year: N/A

For subsequent years: N/A

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a): There are no additional affected regulated entities.

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

For the first year: N/A

For subsequent years: N/A

2. Revenues:

For the first year: N/A

For subsequent years: N/A

3. Cost Savings:

For the first year: N/A

For subsequent years: N/A

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation: This administrative regulation has minimal fiscal impact. It is already being administered as written.

(b) Methodology and resources used to determine the fiscal impact: The agency analyzed costs and procedures related to administering the reciprocal state-administered retirement systems for public employees who have a retirement account in more than one (1) of the state administered retirement systems.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(13): No, this administrative regulation will not have a major economic impact as defined by KRS 13A.010(13).

(b) The methodology and resources used to reach this conclusion: The agency analyzed costs and procedures related to administering the reciprocal state-administered retirement systems for public employees who have a retirement account in more than one (1) of the state administered retirement systems.

SUMMARY OF MATERIALS INCORPORATED BY REFERENCE

“Form 2022, Separation of Accounts”, KPPA, 10/2025, is a 1-page form used by participants who are members in more than one state-administered system to keep their accounts separate.

SUMMARY OF CHANGES TO MATERIALS INCORPORATED BY REFERENCE

“Form 2022, Separation of Accounts”, KPPA, 11/2025, is a 1-page form used by participants who are members in more than one state-administered system and who want to keep their accounts separate.

Changes to the previous form include:

Name and address change from Kentucky Retirement Systems to Kentucky Public Pensions Authority.

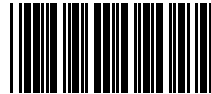
Bar code inserted in top right corner of page.

Member Information fields inserted for Name, contact information, and Member ID. Field for SSN removed.

State Administered Retirement Systems fields inserted to identify the state-administered retirement systems that the applicant is a member of.

Waiver of Reciprocity added fields to select which accounts the member wants to remain separate. Field for SSN removed.

“Acknowledgement” banner added to the field for notarization.

KENTUCKY PUBLIC PENSIONS AUTHORITY1260 Louisville Road • Frankfort, KY 40601
Phone: (502) 696-8800 • Fax: (502) 696-8822 • kyret.ky.gov

Print Form

Form 2022
Revised 11/2025**Separation of Accounts****Member Information**

Member Name:		Member ID:	
Address:	City:	State:	Zip Code:

State Administered Retirement Systems

Identify the state-administered retirement systems in which you have an account by checking the appropriate boxes below:

- | | |
|--|--|
| <input type="checkbox"/> County Employees Retirement System (CERS)
(city, county and local governments, classified employees of boards of education) | <input type="checkbox"/> Kentucky Teachers' Retirement System (TRS)
(certified employees of boards of education) |
| <input type="checkbox"/> Kentucky Employees Retirement System (KERS)
(state employees, health departments, universities) | <input type="checkbox"/> Legislators' Retirement Plan (LRP)
(State Senators and Representatives) |
| <input type="checkbox"/> State Police Retirement System (SPRS)
(full-time officers) | <input type="checkbox"/> Judicial Retirement Plan (JRP)
(Judges) |

Waiver of Reciprocity

I, _____ (print member name), hereby waive the reciprocity provisions of KRS

61.680 and 78.545 as follows:

- ☐ I elect to separate all of my retirement account(s) marked in Section 2.
- ☐ I elect to only separate the following retirement account(s) from all other systems marked in Section 2:
(select **ALL** accounts to be maintained and administered individually. Accounts selected below will not be eligible for reciprocity.)
- ☐ CERS ☐ KERS ☐ SPRS ☐ TRS ☐ LRP ☐ JRP

I acknowledge that by waiving reciprocity and separating my retirement accounts as marked, my salary and service used in determining my benefit eligibility will not be combined. Upon election to separate my accounts, I acknowledge I must meet separate vesting and eligibility requirements in order to receive benefits for each relevant system. I acknowledge that the waiver of reciprocity and election to separate my retirement accounts is effective immediately once this form is on file at the retirement office, and that my waiver reciprocity and election to separate retirement accounts is permanent and irrevocable once this form is on file at the retirement office.

Signature: _____ Date: _____

Acknowledgement

State of _____

County of _____

The foregoing was acknowledged by _____ (print member name)

before me this _____ day of _____, 20 _____

(Notary Seal)

Notary Public _____

My Commission Expires: _____

Kentucky Retirement Systems
1260 Louisville Rd
Frankfort KY 40601-6124
Phone: (502) 564-4646 ext. 4522
FAX: (502) 564-9198
www.kyret.com

FORM 2022

Member's
 Soc. Sec. No.:

Member's Name: _____

SEPARATION OF ACCOUNTS

State Administered Retirement Systems

Identify the state administered retirement systems in which you have an account by checking the appropriate boxes below:

- | | |
|--|--|
| <input type="checkbox"/> Kentucky Employees Retirement System (KERS)
(state employees, health departments, universities) | <input type="checkbox"/> Kentucky Teachers Retirement System (KTRS)
(certified employees of boards of education) |
| <input type="checkbox"/> County Employees Retirement System (CERS)
(city, county and local governments, classified employees of boards of education) | <input type="checkbox"/> Legislators Retirement Plan (LRP)
(State Senators and Representatives) |
| <input type="checkbox"/> State Police Retirement System (SPRS)
(full time officers of Kentucky State Police) | <input type="checkbox"/> Judicial Retirement Plan (JRP)
(Judges) |

Waiver of Reciprocity

I, _____ (print member name), with Social Security No. _____ (print member social security number) hereby waive the reciprocity provisions of KRS 61.680 and elect to retire from _____ (KERS, GERS, or SPRS). I acknowledge by waiving reciprocity and separating my retirement accounts, my salary and service used in determining my retirement benefit will not be combined with my account in any other state administered retirement system. I acknowledge I must meet the separate vesting requirements to be eligible for retirement benefits from the state administered retirement system(s) from which I elect not to retire. I acknowledge that once the first retirement allowance is issued by the State Treasurer, the waiver of reciprocity and separation of accounts becomes permanent and irrevocable.

 Signature _____ Date _____

State of _____,

County of _____,

The foregoing was acknowledged by _____ (print member name)

before me this _____ day of _____, '20.

My Commission Expires: _____

(Notary Seal)

 Notary Public



Brief for Administrative Regulations

Date: September 2025

1. Number and Title of Regulation(s): 105 KAR 1:150. Installment purchase procedures

☐ Emergency Regulation ☐ New Administrative Regulation ☒ Amendment
☐ Repealer ☐ Amended After Comments (w/SOC) ☐ Not Amended After Comments

2. Proposed schedule for regulation process:

File – by November 15, 2025

Public Comment period – through January 31, 2026

Public Hearing – January 26, 2026

ARRS – February 2026 (if no comments are received), March 2026 (if comments are received)

3. Statutory Authority: KRS 16.645, 61.505(1)(g), 61.552(9), 78.545

4. a) Major Economic Impact Certification (KRS 13A.010, Section 1(14): "Major economic impact" means the combined implementation and compliance costs of an administrative regulation are at least five hundred thousand dollars (\$500,000) over any two (2) year period;

b) Cite the exemption under KRS 13A.105(2):

(a) ***Will not have a major economic impact:***

(b) *Is an emergency administrative regulation that must be put into effect immediately to meet an imminent threat to public health, safety, or welfare;*

(c) *Is necessary to prevent the loss of federal or state funds;*

(d) *Is necessary to meet a deadline that is established by federal law, federal regulation, or state law;*

(e) *Is necessary to comply with a final order from a court of competent jurisdiction; or*

(f) *Relates to the licensure and regulation of health facilities and services pursuant to KRS Chapter 216B.*

5. If applicable, list the statute that requires this regulation to be submitted to another official or administrative body for review or approval prior to filing the administrative regulation with the LRC (KRS 13A.220, Section 5(6)(a)): None.

6. Summary of the Regulation: KRS 61.505(1)(g) authorizes the Kentucky Public Pensions Authority on behalf of KERS and CERS to promulgate administrative regulations that are consistent with and necessary or proper to carry out the provisions of KRS 16.505 to 16.652, 61.505 to 61.705, and 78.510 to 78.852. KRS 16.645, 61.552(9), and 78.545 permit an employee participating in KERS or CERS to purchase service credit by payroll deducted installments. This administrative regulation establishes the process and forms related to this option, and provides for the preservation of installment purchases for military personnel called into service.

7. Justification for Amendment(s) or New Regulation(s): The amendment to this administrative regulation adds definitions for "amortization schedule", "omitted service", "recontribution of a refund", "remit", and "termination date", removes two "forms" that are actually agreements specific to the member who requests an installment plan to pay for service credit, replaces two additional forms incorporated by reference with citations to other regulations in which they are incorporated by reference, and reorganizes

and updates language for easier use and clarity and to comply with KRS Chapter 13A drafting requirements.

8. **Affected Entities:** There are approximately 433,461 participants in KERS, CERS, and SPRS. This regulation only affects those members who wish to purchase service credit through an installment agreement. In FY23 82 members, in FY24 58 members, and FY25 51 members, entered into installment agreements.

9. **Is there a cost to or savings for the affected entities or the agency? If so, please explain and include funding source:** The cost for the amendment is minimal because the administrative regulation is already being substantially implemented as written. Administrative expenses of the Kentucky Public Pensions Authority are paid from the Retirement Allowance Account (trust and agency funds).

10. **Is the regulation more stringent than federal regulation? If so, explain how and why:** No.

11. **Internal-External review/stakeholder involvement in promulgation process:** The administrative regulation was reviewed/discussed/and amended internally by staff and the Executive Team.

12. **Is Tiering Applied? (Explain why or why not):** No, tiering is not applied. All members who want to purchase service credit by installments must meet the same requirements.

1 FINANCE AND ADMINISTRATION CABINET

2 Kentucky Public Pensions Authority

3 (Amendment)

4 105 KAR 1:150. Installment purchase procedures.

5 RELATES TO: KRS 16.560, 16.645(19), 61.552(9)~~[61.373, 61.377, 61.552(14),~~
6 ~~61.552(24)]~~, 61.575, 78.545(7), 78.640~~[78.545(34)]~~, 26 U.S.C. 414(h), 415~~[, 29 U.S.C. 28]~~, 38
7 U.S.C. 43

8 STATUTORY AUTHORITY: KRS 16.645, 61.505(1)(g), 61.552(9),
9 78.545~~[61.552(14), (24), 61.645(9)(e)]~~

10 CERTIFICATION STATEMENT: This is to certify that this administrative regulation
11 complies with KRS 13A.150(2) because it does not have a major economic impact.

12 NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.505(1)(g)~~[61.645(9)U(e)]~~
13 authorizes the Kentucky Public Pensions Authority on behalf~~[Board of Trustees]~~ of Kentucky
14 Retirement Systems and County Employees Retirement System to promulgate~~[all]~~ administrative
15 regulations that are consistent with and necessary or proper~~[in order]~~ to carry out the provisions
16 of KRS 16.505 to 16.652, 61.505~~[61.515]~~ to 61.705, and 78.510~~[16.510 to 16.652, and 78.520]~~
17 to 78.852. KRS 16.645, 61.552(9), and 78.545 permit~~[61.552(14) and 61.552(24) permits]~~ an
18 employee participating in the Kentucky Retirement Systems or the County Employees
19 Retirement System to purchase service credit by payroll deducted installments. This
20 administrative regulation establishes the process and forms related to this option, and provides

for the preservation of installment purchases for military personnel called into service.

Section 1. Definitions.

(1) “Amortization schedule ” means a table of installment payments for the entirety of the repayment period that includes each month’s interest, principal, and remaining balance.

(2) “Omitted service” is defined by KRS 61.552.

(3) “Recontribution of a refund” is defined by KRS 61.552.

(4) “Remit” means to make payment to the agency through the normal State Treasurer Office process.

(5) “Termination date” means the date on which the member has ceased or will cease their employment with their participating employer.

Section 2. Eligibility for installment payment plan.

(1) An employee may purchase or regain service credit by making installment payments in lieu of a lump-sum pursuant to KRS 16.645, 61.552(9)(a)2., and 78.545.

(2) Installment payment plans shall be allowed for participating[the] employees of a participating employer if:

(a) The employee has complied with all requirements to purchase service credit pursuant to 105 KAR 1:130 and 1:260;

(b) One (1) year of installment payments shall be made for each \$1,000 or any part thereof of the total cost, except that the total period allowed for installments shall not be less than one (1) year and shall not exceed five (5) years;

(c) The agency has provided notification to the employee that they are eligible to purchase or regain service by installment payments; and

(d) The employer certifies[an agency that has certified] its agreement to deduct and remit

installment payments on all participating employees by submitting to the agency a
completed~~[participating in the Kentucky Retirement Systems. The certification shall be made on~~
~~the]~~ "Form 7280, Employer Certification for Installment Purchase of Service," incorporated by
reference in 105 KAR 1:120~~[provided by the retirement system].~~

(3) The agency may refuse to allow new installment purchase agreements for employees
of an employer that has previously failed to deduct and remit installment payments for other
employees pursuant to administration regulations established in KAR Title 105.

(4)(a) Multiple service purchases may be combined under a single installment purchase,
except that an employee shall not make more than one (1) installment purchase at the same time;
and

(b) Once multiple service purchases have been combined in an installment purchase, the
employee shall not separate the purchases or pay a portion of one (1) of the purchases even if the
installment payment plan ceases.

Section 3. Calculation and Selection~~[Section 2].~~

(1) The agency~~[retirement system]~~ shall:

(a) Calculate~~[calculate]~~ the monthly installment payment necessary to pay the cost of the
service being purchased pursuant to KRS 16.645, 61.552(9)(c)1., and 78.545; and

(b) Provide the calculations and monthly payment options to the employee on a:

1. After Tax Installment Purchase of Service Agreement pursuant to KRS 61.645,
61.552(9)(a)2.b., and 78.545, and shall not exceed the limitations for annual additional
contributions in 26 U.S.C. 415; and

2. Before Tax Installment Purchase of Service Agreement pursuant to KRS 16.645,
61.552 (9)(a)2.a, and 78.545.

1 (2) The employee shall choose, complete, and file their selected payment option on the
2 applicable installment agreement.

3 (3) Installment payments shall be established in accordance with KRS 16.645 and
4 61.552(9)(c)5., and 78.545

5 ~~[(2) The employee may select a payment period of not less than one (1) year and not~~
6 ~~more than five (5) years in accordance with KRS 61.552(14)(c).~~

7 ~~(3) The retirement system shall provide to the employee a "Form 5708, After Tax~~
8 ~~Installment Service Agreement" and a "Form 5709, Before Tax Installment Purchase of Service~~
9 ~~Agreement." The employee shall complete and return to the retirement systems only one (1), but~~
10 ~~not both, of either the Form 5708, After Tax Installment Purchase of Service Agreement or the~~
11 ~~Form 5709, Before Tax Installment Purchase of Service Agreement. An employee shall not enter~~
12 ~~into more than one (1) installment purchase of service agreement at any given time.~~

13 ~~(4) The agreement shall contain a space for selecting the payment option and an~~
14 ~~authorization for withholding the installment payments.~~

15 ~~(5) The agreement shall provide a space for the employee to indicate the amount of any~~
16 ~~down payment to be made by the employee, whether by personal check or rollover or transfer of~~
17 ~~funds from a qualified retirement plan or deferred compensation arrangement.~~

18 ~~(6) The monthly payment options offered to the employee on the Form 5708 After Tax~~
19 ~~Installment Purchase of Service Agreement shall not exceed the limitations for annual additional~~
20 ~~contributions in 26 U.S.C. 415].~~

21 Section 4. Administration of the Installment Purchase of Service Agreement~~[Section 3].~~

22 (1) Upon receipt of a valid~~[the completed and signed Form 5708,]~~ After Tax Installment
23 Purchase of Service Agreement or~~[the Form 5709,]~~ Before Tax Installment Purchase of Service

Agreement, the ~~agency[retirement system]~~ shall provide the employee with an amortization schedule~~[notify the employee and employer of the amount of the installment payment, the date the payments shall begin, the date the payments shall end, and the total payments]~~.

(2) After receipt of any~~[If the employee is making a]~~ down payment by transfer or rollover from a qualified retirement plan or deferred compensation arrangement pursuant to Section 7 of this administrative regulation, if applicable, the ~~agency[retirement system]~~ shall notify the employee and employer of the:

1. Amount~~[amount]~~ of the monthly installment payments;

2. Total installment payments; and

3. Dates the installment payments shall begin and shall end~~[following receipt of the transferred or rolled over funds]~~.

~~(3) An amortization schedule shall be sent to the employee]~~.

~~(3)~~(4) The agency shall reject an~~[Form 5708, After Tax]~~ Installment Purchase of Service Agreement~~[or the Form 5709, Before Tax Installment Purchase of Service Agreement shall be rejected]~~ and shall calculate a new~~[calculation of the]~~ cost of the purchase~~[shall be performed]~~ if the employee:

(a) Does not file a valid~~[The Form 5708, After Tax]~~ Installment Purchase of Service Agreement~~[or the Form 5709, Before Tax Installment Purchase of Service Agreement is not filed at the retirement systems]~~ by the deadline for purchase of the service credit;

(b) Fails~~[The employee fails]~~ to fully and properly complete and sign the~~[Form 5708, After Tax]~~ Installment Purchase of Service Agreement~~[or the Form 5709, Before Tax Installment Purchase of Service Agreement]~~;

(c) Indicates~~[The employee indicates]~~ that a down payment is to be made, but the

employee does not pay the down payment pursuant to Section 7 of this administrative regulation~~[include the check or proof of eligibility to rollover or transfer funds from a qualified retirement plan or deferred compensation arrangement with the Form 5708, After Tax Installment Purchase of Service Agreement or Form 5709, Before Tax Installment Purchase of Service Agreement by the deadline for purchase of the service credit]~~; or

(d) Fails~~[The employee fails]~~ to file a corrected valid Installment Purchase of Service Agreement by the end of the thirtieth (30th) calendar day from~~[Installment Purchase of Service Agreement within thirty (30) days of]~~ a recalculation of the cost to purchase.

(4)~~(5)~~ If the agency rejects an~~[Form 5708, After Tax]~~ Installment Purchase of Service Agreement~~[or Form 5709]~~ pursuant to~~[, Before Tax Installment Purchase of Service is rejected under]~~ subsection (4) of this section, any down payment shall be refunded to the member or, if rollover or transfer, returned to the qualified retirement plan or deferred compensation arrangement.

Section 5. After Tax Installment Purchase of Service Agreement~~[Section 4].~~

(1) The employer shall~~[remit the installments to the retirement system as required by the agreement, but shall]~~ be solely responsible for withholding sufficient amounts through payroll reduction from the employee to allow the payment of After Tax Installment Purchase of Service Agreement~~[the]~~ installments.

(2)~~[The installments shall be remitted to the retirement systems only with the employer's contribution report.]~~ If the employee is not employed twelve (12) months each fiscal year, the employer~~[agency]~~ shall withhold sufficient funds from the employee's wages to allow the employer~~[agency]~~ to remit the required reductions~~[deductions]~~ with the employer's contribution reports during any months in which the employee is not paid.

(3)(a) ~~The retirement system shall not accept personal checks from the employee as payment for these deductions.~~

~~Section 5.~~

~~(1) The amount required to purchase one (1) month of service credit shall be calculated by dividing the total of the installment payments due under the agreement by the number of months of service credit being purchased.~~

~~(2) Upon receipt of installment payments equal to this amount, the retirement system shall credit one (1) month of service credit to the member's account.~~

~~Section 6.~~

~~(1) The employee shall notify the agency retirement system in writing if they desire he desires to terminate the agreement Form 5708, After Tax Installment Purchase of Service Agreement.~~

~~(b) Upon receipt of the notice from the employee, the agency retirement system shall notify the employee and his employer of the date to stop reductions deductions.~~

~~(c) Payments made prior to cancellation will be credited in accordance with Section 8(2) of this administrative regulation. Any payment amount remaining that does not purchase a full month of service credit shall be refunded.~~

~~(4)(2) The employee may request a payoff amount for the Form 5708, After Tax Installment Purchase of Service Agreement and The employee shall have until the end of the sixtieth (60th) calendar day sixty (60) days from the payoff date, requested by the employee and agreed to by the agency retirement system, to pay the installment agreement in full by lump sum payment, but the payoff shall be made prior to the effective date of retirement. At the end of the due date of the contract, the contract shall be terminated and any payment received shall be~~

1 ~~credited for service, and any payment amount remaining that will not purchase the next month of~~
2 ~~service shall be refunded].~~

3 (5) The employee may have the installment agreement recalculated to add one or more
4 service purchases if they are otherwise qualified to do so.

5 (6) The employee shall not receive a return of the payroll reductions pursuant to this
6 administrative regulation except pursuant to the normal disbursement procedures for a member's
7 accumulated contributions or accumulated account balance under KRS 61.575 and 78.640.

8 (7) The After Tax Installment Purchase of Service Agreement shall be void if the
9 employer fails to remit installment payments in accordance with Section 8(1) of this
10 administrative regulation for sixty (60) calendar days. The employee may request a:

11 (a) Payoff pursuant to subsection (4) of this section; or

12 (b) New installment agreement for the balance if they are otherwise qualified to do so.

13 Section 6. Before Tax Installment Purchase of Service Agreement.

14 (1)(a) A valid[(3) The Form 5709,] Before Tax Installment Purchase of Service
15 Agreement including all specified payroll reduction authorizations, amounts, and deductions,
16 shall be an irrevocable, binding agreement if properly and fully completed and signed by the
17 employee, authorized by the employer, and accepted by the agency[retirement systems].

18 (b) Once the employee enters into the irrevocable agreement:

19 1. Prepayments shall not be accepted for the purchase of service credit that is subject to
20 the installment purchase agreement; and

21 2. The employee shall not receive the payroll reduction or installment payment directly
22 instead of having it contributed to the systems.

23 (c) For the purposes of this section, after-tax contributions shall only be received to the

1 extent allowed by 26 U.S.C. 415.

2 (d) Payroll reductions shall cease only after the installment purchase agreement has
3 expired by its terms or upon:

4 1.a. The employee's death if the employee's beneficiary pays the remaining amount owed
5 by lump sum payment using after-tax dollars by the end of the sixtieth (60th) calendar day from
6 the employee's date of death.

7 b. If the balance is not paid, the beneficiary shall receive credit for each one (1) month
8 period of service credit purchased. The beneficiary shall receive any installment payment which
9 had already been made when the employee's death occurred, and which were not used to
10 purchase a one (1) month period of service credit pursuant to the normal disbursement
11 procedures for a member's accumulated contributions or accumulate account balance pursuant to
12 KRS 61.575 and 78.640.

13 2.a. Termination of the member's employment if the member pays the remaining amount
14 owed by lump sum payment by the end of the sixtieth (60th) calendar day from the member's
15 termination date but prior to the member's effective retirement date.

16 b. If the balance is not paid, the member shall only be entitled to receive credit for each
17 one (1) month period of service credit actually purchased. The member shall receive any
18 contributions which were not used to purchase one (1) month period of service credit pursuant to
19 the normal disbursement procedures for the member's accumulated contributions or accumulated
20 account balance pursuant to KRS 61.575 and 78.640.

21 (2)(a) If a valid Before Tax Installment Purchase of Service Agreement is on file, the
22 monthly reductions for installment payments shall be:

23 1. Through employer pick-up contributions established in 26 U.S.C. 414(h)(2); and

1 2. Remitted to the agency from the same funding source used to pay earnings to
2 employees.

3 (b)1. The employer shall pick up these contributions by a corresponding reduction in the
4 cash salary of the employees;

5 2. Although designated as employee contributions, the contributions shall be paid by the
6 employer in lieu of contributions by the employee; and

7 3. The pick-up shall:

8 a. Not commence earlier than the month after the authorization is signed; and

9 b. Only be applicable to contributions to the extent that the compensation which is
10 reduced for the contributions is limited to compensation earned for services after the effective
11 date of the pick-up.

12 (3) Employee contributions picked up pursuant to this section shall:

13 (a) Be treated as tax-deferred employer pick-up contributions pursuant to 26 U.S.C.
14 414(h);

15 (b) Not be included in the gross income of the employee until they are distributed or
16 made available pursuant to 26 U.S.C. 414(h);

17 (c) Not have federal income taxes withheld;

18 (d) Be remitted to the agency in accordance with Section 8 of this administrative
19 regulation; and

20 (e) Be credited to the employee's account and treated, for all other purposes, as if the
21 amount were part of the employee's annual compensation.

22 Section 7. Down Payment.

23 (1) A down payment shall be made by:

1 (a) Completing and filing a valid Form 4170, Direct Transfer/Rollover Authorization,
2 incorporated by reference in 105 KAR 1:330, for the amount of the down payment; or

3 (b) Personal check if the service purchase is for:

4 1. Recontribution of refund as defined by Section 1 of this administrative regulation;

5 2. Omitted service as defined by Section 1 of this administrative regulation; or

6 3. Grandfathered service as defined by 105 KAR 1:001.

7 (2) The down payment shall be made no later than the end of due date indicated on the
8 Installment Purchase of Service Agreement~~[The retirement system may refuse to allow new~~
9 ~~installment agreements for employees of an agency which fails to deduct and remit the~~
10 ~~installment payments in accordance with Sections 1 through 10 of this administrative regulation].~~

11 Section 8. Remission of Installment Payments and Service Credit.

12 (1) The employer shall remit installment payments to the agency:

13 (a) As required by the Installment Purchase of Service Agreement; and

14 (b) In conjunction with the employer's contribution report as established in 105 KAR
15 1:140.

16 (2) The amount required to purchase one (1) month of service credit shall be calculated
17 by dividing the total of the installment payments due under the agreement by the number of
18 months of service credit being purchased. Upon receipt of installment payments equal to this
19 amount, the agency shall credit one (1) month of service credit to the member's account.

20 (3) On the end date of the Installment Purchase of Service Agreement:

21 (a) The agreement shall be terminated;

22 (b) Any payments received shall be credited for service; and

23 (c) Any payment amount remaining that does not purchase a full month of service credit

shall be refunded.

Section 9. Suspension of Installment Purchase of Service Agreement Due to Military Service.

(1) ~~The~~~~[If an employee leaves a position to perform military duty as provided in KRS 61.377, the]~~ employer shall advise the agency~~[retirement system]~~ in writing or by appropriate personnel action that the employee is on active military duty, and the employee's installment purchase agreement shall be suspended during the period of military duty for which the employee does not receive creditable compensation from the employer.

(2) When an employee who did not receive creditable compensation during military leave returns to employment~~[Upon return to employment as provided in KRS 61.373]~~, the employee's installment purchase agreement shall not be recalculated and the employer shall resume remitting the remaining reductions~~[deductions]~~ unless the employee terminates or pays the balance of their After Tax Installment Purchase of Service Agreement pursuant to Section 5~~[the installment agreement as provided in Section 6]~~ of this administrative regulation.

Section 10. Suspension of Installment Purchase Service Agreement Due To~~[Section 9-]~~ Sick Leave Without Pay.

(1) The employer shall notify the agency~~[advise the retirement system]~~ in writing or by appropriate personnel action that the employee is on sick leave without pay, and the installment purchase agreement~~[of an employee placed on sick leave without pay]~~ shall be suspended during the period of sick leave without pay.

(2) Upon return to the employer from the period of sick leave without pay, the employee's installment purchase agreement shall not be recalculated. The employer shall resume remitting the remaining reductions~~[deductions]~~ unless the employee terminates or pays the

1 balance of their After Tax Installment Purchase Service Agreement pursuant to Section 5~~the~~
2 ~~installment agreement as provided in Section 6~~ of this administrative regulation.

3 ~~[Section 10. (1) KRS 61.552(14) allows a member to purchase and reinstate credit under~~
4 ~~any of the provisions of KRS 16.510 to 16.652 and 61.515 to 61.705 and 78.520 to 78.852 in the~~
5 ~~retirement systems administered by the Kentucky Retirement Systems by making installment~~
6 ~~payments in lieu of a lump sum payment by establishing an irrevocable employer pick-up of~~
7 ~~member contributions as described by 26 U.S.C. 414(h)(2).~~

8 ~~(2) The cost of the service shall be computed in the same manner as for a lump sum~~
9 ~~payment which shall be the principal; and interest compounded annually at the actuarial rate in~~
10 ~~effect when the member elects to make the purchase shall be added for the period that the~~
11 ~~installments are to be made. One (1) year of installment payments shall be made for each \$1,000~~
12 ~~or any part thereof of the total cost, except that the total period allowed for installments shall not~~
13 ~~be less than one (1) year and shall not exceed five (5) years. Multiple service purchases shall be~~
14 ~~combined under a single installment purchase; however, an employee shall not make more than~~
15 ~~one (1) installment purchase at the same time. Once multiple service purchases have been~~
16 ~~combined in an installment purchase, the employee shall not separate the purchases or pay a~~
17 ~~portion of one (1) of the purchases.~~

18 ~~(3) The employer shall pay the installments by payroll reduction. Upon notification by~~
19 ~~the retirement systems, the employer shall report the installment payments either monthly or~~
20 ~~semimonthly continuously over each twelve (12) month period at the same time as, but separate~~
21 ~~from, regular employer contributions as provided in 105 KAR 1:140, Section 1(1). The employer~~
22 ~~shall pay the monthly reductions the employee elects to have applied to purchase service credit~~
23 ~~through pick-up contributions. The payroll reductions shall be paid to the Kentucky Retirement~~

1 ~~Systems through the normal State Treasurer Office remittance process, from the same source of~~
2 ~~funds that is used in paying earnings to the employees. The employer shall pick up these~~
3 ~~contributions by a corresponding reduction in the cash salary of the employees. These~~
4 ~~contributions, although designated as employee contributions, shall be paid by the employer in~~
5 ~~lieu of contributions by the employee.~~

6 ~~(4) An employee may elect to pay all or part of any contribution to purchase or reinstate~~
7 ~~service credit. An employee's election to purchase or reinstate service credit through pick up~~
8 ~~contributions shall be pursuant to an irrevocable, binding written authorization on a Form 5709,~~
9 ~~Before Tax Installment Purchase of Service Agreement, which specifies the amount of the~~
10 ~~monthly payroll reductions and the period over which the payroll reductions shall be made. The~~
11 ~~pick up shall not commence earlier than the month after the authorization is signed. The pick up~~
12 ~~shall only be applicable to contributions to the extent the compensation which is reduced for the~~
13 ~~contributions is limited to compensation earned for services after the effective date of the pick-~~
14 ~~up. Once the employee enters into the irrevocable agreement, prepayments shall not be accepted~~
15 ~~for the purchase of the service that is subject to the irrevocable authorization, and the employee~~
16 ~~shall not receive the contributions directly instead of having the contributions contributed to the~~
17 ~~retirement system. However, an employee shall not be prevented from paying any amounts not~~
18 ~~covered by the authorization with after tax dollars, subject to any applicable statutes and rules.~~
19 ~~An employee shall not have at any given time more than one (1) irrevocable reduction~~
20 ~~authorization.~~

21 ~~(5) Contributions picked up as provided by subsection (4) of this section shall be treated~~
22 ~~as tax deferred employer pick up contributions pursuant to 26 U.S.C. 414(h). Based upon the~~
23 ~~Internal Revenue Service ruling that pursuant to 26 U.S.C. 414(h) these picked up contributions~~

1 ~~are not includable in the gross income of the employee until such time as they are distributed or~~
2 ~~made available, each employer shall not withhold federal income taxes on these picked up~~
3 ~~contributions.~~

4 ~~(6) Employee contributions picked up as provided by subsection (4) of this section shall~~
5 ~~be transmitted to the retirement systems and shall be credited to the employee's account and~~
6 ~~treated, for all other purposes, as if the amount were a part of the employee's annual~~
7 ~~compensation.~~

8 ~~(7) All payroll reduction authorizations, including the amounts and duration specified,~~
9 ~~shall be binding and irrevocable upon the employee's execution of a Form 5709, Before Tax~~
10 ~~Installment Purchase of Service Agreement. These reductions shall cease only after the~~
11 ~~authorization has expired by its terms or upon any of the following events:~~

12 ~~(a) The employee's death. If the death of an employee occurs, the employee's beneficiary~~
13 ~~shall have the option of paying the remaining amount owed by lump sum payment, using after-~~
14 ~~tax dollars, within sixty (60) days of the employee's death. If the balance is not paid, the~~
15 ~~beneficiary shall be entitled to receive credit for each one (1) month period of service purchased.~~
16 ~~The beneficiary shall receive any contributions of the employee which had already been made~~
17 ~~when the employee's death occurred and which were not used to purchase a one (1) month period~~
18 ~~of service credit only pursuant to the normal disbursement procedures for a member's~~
19 ~~accumulated contributions under KRS 61.575.~~

20 ~~(b) The termination of the member's employment. If the member's employment is~~
21 ~~terminated, the member shall have the right to pay the remaining amount owed by lump sum~~
22 ~~payment on or within sixty (60) days of the member's termination of employment, but prior to~~
23 ~~the effective retirement date of the member. If the balance is not paid, the member shall be~~

1 ~~entitled to receive credit only for each one (1) month period of service actually purchased. The~~
2 ~~member shall receive any contributions which were not used to purchase one (1) month period of~~
3 ~~service credit pursuant to the normal disbursement procedures for a member's accumulated~~
4 ~~contributions under KRS 61.575.~~

5 ~~(c) For purposes of subsection (7)(a) and (b) of this section, after tax contributions shall~~
6 ~~only be received to the extent allowed by 26 U.S.C. 415.~~

7 ~~(8) If the employee is on military leave or sick leave without pay, the installment~~
8 ~~purchase shall cease and shall be suspended during the period of leave and shall resume without~~
9 ~~recalculation upon the employee's return from leave.~~

10 ~~(9) The employee shall not receive a return of the payroll reductions made under Sections~~
11 ~~1 through 10 of this administrative regulation, except pursuant to the normal disbursement~~
12 ~~procedures for a member's accumulated contributions under KRS 61.575.~~

13 ~~(10) Payroll reductions under this section shall not last longer than five (5) years.~~

14 ~~(11) The retirement systems shall begin accepting before tax payroll reduction~~
15 ~~agreements from employees in February 2003. The earliest effective date for receipt of before~~
16 ~~tax contributions from employers shall be those payroll reports due in March 2003. An employee~~
17 ~~who has a current post tax installment purchase of service agreement in place as of January 31,~~
18 ~~2003 may terminate this purchase and make an election under this section to convert the~~
19 ~~installment purchase of service agreement to an irrevocable pretax employer pick up of~~
20 ~~contributions before December 31, 2003.~~

21 ~~Section 11. Incorporation by Reference.~~

22 ~~(1) The following material is incorporated by reference:~~

23 ~~(a) "Form 7280, Employer Certification for Installment Purchase of Service, November~~

1 ~~2002," Kentucky Retirement Systems;~~
2 ~~(b) "Form 5708, After Tax Installment Purchase of Service Agreement, June 2003,"~~
3 ~~Kentucky Retirement Systems; and~~
4 ~~(c) "Form 5709, Before Tax Installment Purchase of Service Agreement, January 2003,"~~
5 ~~Kentucky Retirement Systems.~~
6 ~~(2) This material may be inspected, copied, or obtained, subject to applicable copyright~~
7 ~~law, at the Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road,~~
8 ~~Frankfort, Kentucky, Monday through Friday, 8 a.m. to 4:30 p.m.]~~

105 KAR 1:150 Installment purchase procedures is approved for filing.

Ryan Barrow,
Executive Director
Kentucky Public Pensions Authority

Date

105 KAR 1:150 Installment purchase procedures.

Certified pursuant to KRS 13A.150(2) and (3):

No signature pursuant to current litigation in Franklin County Circuit Court (Case No. 25-CI-00269).

Andy Beshear
Governor

Date

Ryan Barrow
Executive Director
Kentucky Public Pensions Authority

Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on Monday, January 26, 2026 at 10:00 a.m. Eastern Time at the Kentucky Public Pensions Authority (KPPA), 1270 Louisville Road, Frankfort, Kentucky 40601. Individuals interested in presenting a public comment at this hearing shall notify this agency in writing no later than five (5) workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through January 31, 2026 and shall receive the same consideration as verbal comments. Send written notification of intent to be heard at the public hearing, or written comments on the proposed administrative regulation, to the contact person.

KPPA shall file a response with the Regulations Compiler to any public comments received, whether at the public comment hearing or in writing, via a Statement of Consideration no later than the 15th day of the month following the end of the public comment period, or upon filing a written request for extension, no later than the 15th day of the second month following the end of the public comment period.

Contact person: Carole J. Catalfo
Policy Specialist
Kentucky Public Pensions Authority
1260 Louisville Road
Frankfort, Kentucky 40601
Phone (502) 696-8679
Fax (502) 696-8615
Email: Legal.Non-Advocacy@kyret.ky.gov

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

105 KAR 1:150

Contact Person: Carole J. Catalfo

Phone: (502) 696-8679

Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the process and forms related to purchasing service credit by payroll deducted installments, and provides for the preservation of installment purchases for military personnel called into service.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to establish the process and forms related to purchasing service credit by payroll deducted installments, and to provide for the preservation of installment purchases for military personnel called into service.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 61.505(1)(g) authorizes the Kentucky Public Pensions Authority on behalf of Kentucky Retirement Systems and County Employees Retirement System to promulgate administrative regulations that are consistent with and necessary or proper to carry out the provisions of KRS 16.505 to 16.652, 61.505 to 61.705, and 78.510 to 78.852. KRS 16.645, 61.552(9), and 78.545 permit an employee participating in the Kentucky Retirement Systems or the County Employees Retirement System to purchase service credit by payroll deducted installments. This administrative regulation establishes the process and forms related to this option, and provides for the preservation of installment purchases for military personnel called into service.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation assists in the effective administration of the statutes by establishing the process and forms related to purchasing service credit by payroll deducted installments, and providing for the preservation of installment purchases for military personnel called into service.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The amendment to this administrative regulation adds definitions for “amortization schedule”, “omitted service”, “recontribution of a refund”, “remit”, and “termination date”, removes two “forms” that are actually agreements specific to the member who requests an installment plan to pay for service credit, replaces two additional forms incorporated by reference with citations to other regulations in which they are incorporated by reference, and reorganizes and updates language for easier use and clarity and to comply with KRS Chapter 13A drafting requirements.

(b) The necessity of the amendment to this administrative regulation: The amendment to this administrative regulation is necessary to add definitions, remove two “forms” that are actually agreements specific to the member who requests an installment plan to pay for service credit, replace two additional forms incorporated by reference with citations to other regulations in which they are incorporated by reference, and reorganize and update language for easier use and clarity, and to comply with KRS Chapter 13A drafting requirements.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 61.505(1)(g) authorizes the Kentucky Public Pensions Authority on behalf of Kentucky Retirement Systems and County Employees Retirement System to promulgate administrative regulations that are consistent with and necessary or proper to carry out the provisions of KRS 16.505 to 16.652, 61.505 to 61.705, and 78.510 to 78.852. KRS 16.645, 61.552(9), and 78.545 permit an employee participating in the Kentucky Retirement Systems or the County Employees Retirement System to purchase service credit by payroll deducted installments. This administrative regulation establishes the process and forms related to this option, and provides for the preservation of installment purchases for military personnel called into service.

(d) How the amendment will assist in the effective administration of the statutes: The amendment to this administrative regulation will assist in effective administration of the statutes by adding definitions, removing two “forms” that are actually agreements specific to the member who requests an installment plan to pay for service credit, replacing two additional forms incorporated by reference with citations to other regulations in which they are incorporated by reference, and reorganizing and updating language for easier use and clarity and to comply with KRS Chapter 13A drafting requirements.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: There are approximately 433,461 participants in the Kentucky Employees Retirement System, the State Police Retirement System, and the County Employees Retirement System. This regulation only affects those members who wish to purchase service credit through an installment agreement. In FY23 82 members, in FY24 58 members, and FY25 51 members, entered into installment agreements.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: The regulated community will be minimally impacted because the administrative regulation is already being substantially implemented as written.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There should be no additional costs because the administrative regulation is already being substantially implemented as written.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The amendment to this administrative regulation will benefit the regulated community by adding definitions, removing two “forms” that are actually agreements specific to the member who requests an installment plan to pay for service credit, updating forms incorporated by reference, replacing two additional forms incorporated by reference with citations to other regulations in which they are incorporated by reference, reorganizing and updating language for easier use and clarity, and to comply with KRS Chapter 13A drafting requirements.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There should be no additional costs because the administrative regulation is already being substantially implemented as written.

(b) On a continuing basis: There should be no additional costs because the administrative regulation is already being substantially implemented as written.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Administrative expenses of the Kentucky Public Pensions Authority are paid from the Retirement Allowance Account (trust and agency funds).

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No, an increase in fees or funding will not be necessary to implement the amendment to this administrative regulation.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This administrative regulation does not establish or directly or indirectly increase any fees.

(9) TIERING: Is tiering applied? (Explain why or why not) No, tiering is not applied. All applicants for purchase of service credit through an installment plan are subject to the same requirements, processes, and procedures.

FISCAL IMPACT STATEMENT

105 KAR 1:150

Contact Person: Carole J. Catalfo

Phone: (502) 696-8679

Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 61.505(1)(g) authorizes the Kentucky Public Pensions Authority on behalf of Kentucky Retirement Systems and County Employees Retirement System to promulgate administrative regulations that are consistent with and necessary or proper to carry out the provisions of KRS 16.505 to 16.652, 61.505 to 61.705, and 78.510 to 78.852. KRS 16.645, 61.552(9), and 78.545 permit an employee participating in the Kentucky Retirement Systems or the County Employees Retirement System to purchase service credit by payroll deducted installments.

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act: KRS 61.505(1)(g)

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions: The promulgating agency is the Kentucky Public Pensions Authority. This administrative regulation does not affect any other state unit, part, or division.

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:

For the first year: None.

For subsequent years: None.

2. Revenues:

For the first year: None.

For subsequent years: None.

3. Cost Savings:

For the first year: None.

For subsequent years: None.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts): This administrative regulation does not affect any local entities.

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year: None.

For subsequent years: None.

2. Revenues:

For the first year: None.

For subsequent years: None.

3. Cost Savings:

For the first year: None.

For subsequent years: None.

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a): There are no additional regulated entities.

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

For the first year: None.

For subsequent years: None.

2. Revenues:

For the first year: None.

For subsequent years: None.

3. Cost Savings:

For the first year: None.

For subsequent years: None.

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation: The amendment to this administrative regulation will have minimal fiscal impact because the regulation is already being substantially implemented as written.

(b) Methodology and resources used to determine the fiscal impact: The agency examined its current operations which do not require any changes to implement the amendment to this administrative regulation.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(13): No, this administrative regulation will not have a major economic impact as defined by KRS 13A.010(13).

(b) The methodology and resources used to reach this conclusion: The agency examined its current operations which do not require any changes to implement the amendment to this administrative regulation.



Brief for Administrative Regulations

Date: September 2025

1. **Number and Title of Regulation(s):** 105 KAR 1:300. Determination of service credit for local school board classified employees

☐ Emergency Regulation ☐ New Administrative Regulation ☒ Amendment
☐ Repealer ☐ Amended After Comments (w/SOC) ☐ Not Amended After Comments

2. **Proposed schedule for regulation process:**

File – by November 15, 2025

Public Comment period – through January 31, 2026

Public Hearing – January 26, 2026

ARRS – February 2026 (if no comments are received), March 2026 (if comments are received)

3. **Statutory Authority:** KRS 61.545(1) and 78.615

4. **a) Major Economic Impact Certification (KRS 13A.010, Section 1(14): "Major economic impact" means the combined implementation and compliance costs of an administrative regulation are at least five hundred thousand dollars (\$500,000) over any two (2) year period;**

b) Cite the exemption under KRS 13A.105(2):

(a) Will not have a major economic impact;

(b) Is an emergency administrative regulation that must be put into effect immediately to meet an imminent threat to public health, safety, or welfare;

(c) Is necessary to prevent the loss of federal or state funds;

(d) Is necessary to meet a deadline that is established by federal law, federal regulation, or state law;

(e) Is necessary to comply with a final order from a court of competent jurisdiction; or

(f) Relates to the licensure and regulation of health facilities and services pursuant to KRS Chapter 216B.

5. **If applicable, list the statute that requires this regulation to be submitted to another official or administrative body for review or approval prior to filing the administrative regulation with the LRC (KRS 13A.220, Section 5(6)(a)):** None.

6. **Summary of the Regulation:** KRS 61.545(1) requires the KPPA to determine by administrative regulation how much service in any year is the equivalent of a year of service credit. KRS 78.615 establishes the calculation for determination of retirement service credit for classified employees of local school boards. KRS 78.615(1)(c) allows classified employees of local school boards who work less than a complete school year to purchase service credit to complete the fiscal year according to administrative regulations promulgated by the KPPA. This administrative regulation establishes the formulas to be used to determine the number of months of service credit earned and for the purchase of service credit for local school board classified employees who work less than a complete school year.

7. **Justification for Amendment(s) or New Regulation(s):** The amendment is primarily technical in nature. The amendment clarifies the title of the regulation and formulas for determining service for actual and contract days worked after July 1, 2000, corrects statutory references, and aligns language to comply with

KRS Chapter 13A drafting requirements.

8. **Affected Entities:** This administrative regulation affects the KPPA, and only those classified employees of local school boards, of approximately 286,688 total members in CERS, who work less than a complete school year and want to purchase service credit to complete the fiscal year.

9. **Is there a cost to or savings for the affected entities or the agency? If so, please explain and include funding source:** The cost for the amendment is minimal because the administrative regulation is already being substantially implemented as written. Administrative expenses of the Kentucky Public Pensions Authority are paid from the Retirement Allowance Account (trust and agency funds).

10. **Is the regulation more stringent than federal regulation? If so, explain how and why:** No.

11. **Internal-External review/stakeholder involvement in promulgation process:** The administrative regulation was reviewed/discussed/and amended internally by staff and the Executive Team.

12. **Is Tiering Applied? (Explain why or why not):** No, tiering is not applied. All participants must meet the same requirements.

1 FINANCE AND ADMINISTRATION CABINET

2 Kentucky Public Pensions Authority

3 (Amendment)

4 105 KAR 1:300. Determination of service credit for local school board classified
5 employees.

6 RELATES TO: KRS 61.545, 61.552, 78.615

7 STATUTORY AUTHORITY: KRS 61.545(1),~~[61.645(9)(e),]~~ 78.615(1)(c)

8 CERTIFICATION STATEMENT: This is to certify that this administrative regulation
9 complies with the requirements of KRS 13A.105(2) because it does not have a major economic
10 impact.

11 NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.545(1) requires the
12 Kentucky Public Pensions Authority to determine by administrative regulation how much service
13 in any year is the equivalent of a year of service credit. KRS 78.615 establishes the calculation
14 for determination of retirement service credit for classified employees of local school boards.
15 KRS 78.615(1)(c) allows~~[requires the Board of Trustees of the Kentucky Retirement Systems to~~
16 ~~promulgate an administrative regulation to allow]~~ classified employees of local school boards
17 who work less than a complete school year to purchase service credit to complete the fiscal year
18 according to administrative regulations promulgated by the Kentucky Public Pensions Authority.
19 This administrative regulation establishes the formulas to be used to determine the number of
20 months of service credit earned and for the purchase of service credit for local school board

classified employees who work less than a complete school year.

Section 1. For school years beginning July 1, 2000 and after, upon the employee's completion of the school year, termination, or death, whichever occurs first, the retirement system shall determine each employee's fiscal year service credit as established in this section.~~[follows:]~~

(1) (a) The employee's actual days worked, as reported by the school board, shall be divided by twenty (20) to determine the number of months and fractional months worked during the fiscal year.

(b) The employee's total wages shall be divided by the hourly rate reported by the school board to determine the total number of hours worked during the fiscal year.

(c) The employee's total number of hours worked shall be divided by the employee's months and fractional months worked to determine if the employee worked an average of at least eighty (80) hours per month.

(2)(a) If the employee does not work an average of at least eighty (80) hours per month over the number of actual days worked, the employee's contract days, as reported by the school board, shall be divided by twenty (20) to determine the number of months and fractional months worked during the fiscal year.

(b) The employee's total wages shall be divided by the hourly rate reported by the school board to determine the total number of hours worked during the fiscal year.

(c) The employee's total number of hours worked shall be divided by the employee's months and fractional months worked to determine if the employee worked an average of at least eighty (80) hours per month.

(3) If the employee does not work an average at least eighty (80) hours per month over

1 the number of actual days worked or contract days, the service credit shall be disallowed and all
 2 employer and employee contributions shall be refunded. Individual months in which the
 3 employee worked eighty (80) or more hours during the fiscal year may be purchased as
 4 established~~[provided]~~ in KRS 61.552.

5 Section 2. Each school board employee whose employment averages eighty (80) or more
 6 hours per month over their actual days worked or contract days as determined in Section 1 of this
 7 administrative regulation, shall be credited with total service credit for the school year
 8 determined as established in this section.~~[follows:]~~

9 (1) If the employee worked at least 180 actual or contract days, the employee shall be
 10 credited with twelve (12) months of service credit.

11 (2) If the employee worked fewer than 180 actual or contract days, the employee shall
 12 receive the number of months of service credit determined by dividing the actual number of days
 13 worked or contract days by 180 and multiplying the resulting ratio by twelve (12) months. The
 14 number of months of service shall be rounded to the nearest whole month, except that the
 15 employee shall not receive twelve (12) months of service credit unless the employee worked 180
 16 or more actual or contract days during the school year.

17 Section 3. For school years beginning July 1, 1996 through June 30, 2000, each school
 18 board employee whose employment averages eighty (80) or more hours per month over their
 19 actual days worked as determined in Section 1(1) of this administrative regulation, shall be
 20 credited with total service credit for the school year determined as established in this
 21 section.~~[follows:]~~

22 (1) If the employee worked an average of at least eighty (80) hours per month over the
 23 number of actual days worked, as reported by the school board, the employee shall be credited

1 with service based on the number of months and fractional months rounded to the next whole
2 month.

3 (2) (a) If the employee does not work an average of at least eighty (80) hours per month
4 over the number of actual days worked, the employee's contract days, as reported by the school
5 board, shall be divided by twenty (20) to determine the number of months and fractional months
6 worked during the fiscal year;

7 (b) The employee's total wages shall be divided by the hourly rate reported by the school
8 board to determine the total number of hours worked during the fiscal year;

9 (c) The employee's total number of hours worked shall be divided by the employee's
10 months and fractional months worked to determine if the employee worked an average of at least
11 eighty (80) hours per month; and

12 (d) Each school board employee who worked an average of at least eighty (80) hours per
13 month over the number of contract days, shall be credited with service based on the number of
14 months and fractional months rounded to the next whole month.

15 (3) If the employee does not work an average of at least eighty (80) hours per month over
16 the number of actual days worked or contract days, the employee shall be~~[the member is]~~
17 allowed to retain credit for individual months representing at least eighty (80) hours of
18 employment. Contributions and interest, if any, for months not representing eighty (80) hours of
19 employment shall be refunded to the employee and employer.

20 Section 4. For school years prior to July 1, 1996, the retirement system shall determine
21 each employee's fiscal year service credit as established in this section.~~[follows:]~~

22 (1) (a) The employee's total fiscal year wages shall be divided by the hourly rate, as
23 reported by the school board, to determine the total number of hours worked during the fiscal

1 year;

2 (b) The employee's total number of hours worked during the fiscal year shall be divided
3 by the employee's number of actual months reported by the school board to determine if the
4 employee worked an average of at least eighty (80) hours per month; and

5 (c) If the employee worked an average of at least eighty (80) hours per month over the
6 number of actual months as reported by the school board, the employee shall be credited with
7 service based on the number of actual months reported.

8 (2) (a) If the employee does not work at least an average of eighty (80) hours per month
9 over the number of months reported for each fiscal year, the employee's total calendar wages
10 shall be divided by the hourly rate reported by the school board to determine the number of hours
11 worked during the calendar year;

12 (b) The employee's total number of hours worked during the calendar year shall be
13 divided by the number of calendar months reported by the school board to determine if the
14 employee worked an average of at least eighty (80) hours per month; and

15 (c) If the employee worked an average of at least eighty (80) hours per month over the
16 number of calendar months as reported by the school board, the employee shall be credited with
17 service based on the number of calendar months reported.

18 (3) (a) If the employee does not work at least an average of eighty (80) hours per month
19 over the number of months reported for each fiscal or calendar year, the employee's contract
20 days, as reported by the school board, shall be divided by twenty (20) to determine the number of
21 months and fractional months worked during the fiscal year;

22 (b) The employee's total wages shall be divided by the hourly rate reported by the school
23 board to determine the total number of hours worked during the fiscal year;

1 (c) The employee's total number of hours worked shall be divided by the employee's
2 months and fractional months worked to determine if the employee worked an average of at least
3 eighty (80) hours per month; and

4 (d) If the employee worked an average of at least eighty (80) hours per month over the
5 number of contract days, as reported by the school board, the employee shall be credited with
6 service based on the number of months and fractional months rounded to the next whole month.

7 (4) (a) If the employee does not work at least an average of eighty (80) hours per month
8 over the number of months reported for each fiscal or calendar year, or contract days, the
9 employee's actual days worked, as reported by the school board, shall be divided by twenty (20)
10 to determine the number of months and fractional months worked during the fiscal year;

11 (b) The employee's total wages shall be divided by the hourly rate reported by the school
12 board to determine the total number of hours worked during the fiscal year;

13 (c) The employee's total number of hours worked shall be divided by the employee's
14 months and fractional months worked to determine if the employee worked an average of at least
15 eighty (80) hours per month; and

16 (d) If the employee worked an average of at least eighty (80) hours per month over the
17 number of actual days worked, as reported by the school board, the employee shall be credited
18 with service based on the number of months and fractional months rounded to the nearest whole
19 month.

20 (5) If the employee does not work an average of at least eighty (80) hours per month over
21 the number of reported months for each fiscal or calendar year, contract days, or actual days
22 worked, the member is allowed to retain credit for individual months representing at least eighty
23 (80) hours of employment. Contributions and interest, if any, for months not representing eighty

1 (80) hours of employment shall be refunded to the employee and employer.

105 KAR 1:300. Determination of service credit for local school board classified employees is approved for filing.

Ryan Barrow,
Executive Director
Kentucky Public Pensions Authority

Date

105 KAR 1:300. Determination of service credit for local school board classified employees

Certified pursuant to KRS 13A.150(2) and (3):

No signature pursuant to current litigation in Franklin County Circuit Court (Case No. 25-CI-00269).

Andy Beshear
Governor

Date

Ryan Barrow
Executive Director
Kentucky Public Pensions Authority

Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on Monday, January 26, 2026 at 10:00 a.m. Eastern Time at the Kentucky Public Pensions Authority (KPPA), 1270 Louisville Road, Frankfort, Kentucky 40601. Individuals interested in presenting a public comment at this hearing shall notify this agency in writing no later than five (5) workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through January 31, 2026 and shall receive the same consideration as verbal comments. Send written notification of intent to be heard at the public hearing, or written comments on the proposed administrative regulation, to the contact person.

KPPA shall file a response with the Regulations Compiler to any public comments received, whether at the public comment hearing or in writing, via a Statement of Consideration no later than the 15th day of the month following the end of the public comment period, or upon filing a written request for extension, no later than the 15th day of the second month following the end of the public comment period.

Contact person: Carole J. Catalfo
Policy Specialist
Kentucky Public Pensions Authority
1260 Louisville Road
Frankfort, Kentucky 40601
Phone (502) 696-8679
Fax (502) 696-8615
Email: Legal.Non-Advocacy@kyret.ky.gov

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

105 KAR 1:300

Contact Person: Carole J. Catalfo

Phone: (502) 696-8679

Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the formulas to be used to determine the number of months of service credit earned and for the purchase of service credit for local school board classified employees who work less than a complete school year.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to establish the formulas to be used to determine the number of months of service credit earned and for the purchase of service credit for local school board classified employees who work less than a complete school year.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 61.545(1) requires the Kentucky Public Pensions Authority to determine by administrative regulation how much service in any year is the equivalent of a year of service credit. KRS 78.615 establishes the calculation for determination of retirement service credit for classified employees of local school boards. KRS 78.615(1)(c) allows classified employees of local school boards who work less than a complete school year to purchase service credit to complete the fiscal year according to administrative regulations promulgated by the Kentucky Public Pensions Authority. This administrative regulation establishes the formulas to be used to determine the number of months of service credit earned and for the purchase of service credit for local school board classified employees who work less than a complete school year.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation assists in the effective administration of the statutes by establishing the formulas to be used to determine the number of months of service credit earned and for the purchase of service credit for local school board classified employees who work less than a complete school year.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The amendment clarifies the title of the regulation and formulas for determining service for actual and contract days worked after July 1, 2000, corrects statutory references, and aligns language to comply with KRS Chapter 13A drafting requirements.

(b) The necessity of the amendment to this administrative regulation: The amendment is

necessary to clarify the title of the regulation and formulas for determining service for actual and contract days worked after July 1, 2000, correct statutory references, and align language to comply with KRS Chapter 13A drafting requirements.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 61.545(1) requires the Kentucky Public Pensions Authority to determine by administrative regulation how much service in any year is the equivalent of a year of service credit. KRS 78.615 establishes the calculation for determination of retirement service credit for classified employees of local school boards. KRS 78.615(1)(c) allows classified employees of local school boards who work less than a complete school year to purchase service credit to complete the fiscal year according to administrative regulations promulgated by the Kentucky Public Pensions Authority. This administrative regulation establishes the formulas to be used to determine the number of months of service credit earned and for the purchase of service credit for local school board classified employees who work less than a complete school year.

(d) How the amendment will assist in the effective administration of the statutes: The amendment will assist in the effective administration of the statute by clarifying the title of the regulation and formulas for determining service for actual and contract days worked after July 1, 2000, correcting statutory references, and aligning language to comply with KRS Chapter 13A drafting requirements.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation affects the Kentucky Public Pensions Authority, and only those classified employees of local school boards, of approximately 286,688 total members in the County Employees Retirement System, who work less than a complete school year and want to purchase service credit to complete the fiscal year.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: The regulated entities will be minimally impacted because the administrative regulation is already being implemented as written. The amendment is primarily technical in nature.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There will be no additional costs to comply with the amendment because it is already being implemented as written. The amendment is primarily technical in nature.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The regulated community will benefit from clarification of the title of the regulation and formulas for determining service for actual and contract days worked after July 1, 2000,

correct statutory references, and language aligned to comply with KRS Chapter 13A drafting requirements.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There will be no additional costs because the regulation is already being implemented as written.

(b) On a continuing basis: There will be no additional costs because the regulation is already being implemented as written.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Administrative expenses of the Kentucky Public Pensions Authority are paid from the Retirement Allowance Account (trust and agency funds).

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No, an increase in fees or funding will not be necessary.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: No, this administrative regulation does not establish any fees or directly or indirectly increase any fees.

(9) TIERING: Is tiering applied? (Explain why or why not) No, tiering is not applied. The processes and procedures are the same for all local school board classified employees who want to purchase service credit.

FISCAL IMPACT STATEMENT

105 KAR 1:300

Contact Person: Carole J. Catalfo

Phone: (502) 696-8679

Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 61.545(1) requires the Kentucky Public Pensions Authority to determine by administrative regulation how much service in any year is the equivalent of a year of service credit. KRS 78.615 establishes the calculation for determination of retirement service credit for classified employees of local school boards. KRS 78.615(1)(c) allows classified employees of local school boards who work less than a complete school year to purchase service credit to complete the fiscal year according to administrative regulations promulgated by the Kentucky Public Pensions Authority.

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act: KRS 61.545(1) and 78.615.

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions: The promulgating agency is the Kentucky Public Pensions Authority. There are no other affected state units, parts, or divisions.

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:

For the first year: None.

For subsequent years: None.

2. Revenues:

For the first year: None.

For subsequent years: None.

3. Cost Savings:

For the first year: None.

For subsequent years: None.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts): There are no affected local entities.

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year: None.

For subsequent years: None.

2. Revenues:

For the first year: None.

For subsequent years: None.

3. Cost Savings:

For the first year: None.

For subsequent years: None.

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a): There are no additional regulated entities.

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

For the first year: None.

For subsequent years: None.

2. Revenues:

For the first year: None.

For subsequent years: None.

3. Cost Savings:

For the first year: None.

For subsequent years: None.

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation: This administrative regulation has little fiscal impact. It is already being administered as written.

(b) Methodology and resources used to determine the fiscal impact: The agency analyzed its processes and procedures related to the formulas used to determine the number of months of service credit earned and for the purchase of service credit for local school board classified employees who work less than a complete school year.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(13): No, this administrative regulation will not have a major economic impact as defined by KRS 13A.010(13).

(b) The methodology and resources used to reach this conclusion: The agency analyzed its processes and procedures related to the formulas used to determine the number of months of service credit earned and for the purchase of service credit for local school board classified employees who work less than a complete school year.



Brief for Administrative Regulations

Date: September 2025

1. **Number and Title of Regulation(s):** 105 KAR 1:340 Rollovers and transfers of contributions in other plans

☐ Emergency Regulation ☐ New Administrative Regulation ☒ Amendment
☐ Repealer ☐ Amended After Comments (w/SOC) ☐ Not Amended After Comments

2. **Proposed schedule for regulation process:**

File – by November 15, 2025

Public Comment period – through January 31, 2026

Public Hearing – January 26, 2026

ARRS – February 2026 (if no comments are received), March 2026 (if comments are received)

3. **Statutory Authority:** KRS 61.505(1)(g), 61.552(9)(a)3.

4. **a) Major Economic Impact Certification (KRS 13A.010, Section 1(14): "Major economic impact" means the combined implementation and compliance costs of an administrative regulation are at least five hundred thousand dollars (\$500,000) over any two (2) year period;**

b) Cite the exemption under KRS 13A.105(2):

(a) Will not have a major economic impact;

(b) Is an emergency administrative regulation that must be put into effect immediately to meet an imminent threat to public health, safety, or welfare;

(c) Is necessary to prevent the loss of federal or state funds;

(d) Is necessary to meet a deadline that is established by federal law, federal regulation, or state law;

(e) Is necessary to comply with a final order from a court of competent jurisdiction; or

(f) Relates to the licensure and regulation of health facilities and services pursuant to KRS Chapter 216B.

5. **If applicable, list the statute that requires this regulation to be submitted to another official or administrative body for review or approval prior to filing the administrative regulation with the LRC (KRS 13A.220, Section 5(6)(a)):** None.

6. **Summary of the Regulation:** KRS 61.505(1)(g) authorizes the Board of Trustees to promulgate all administrative regulations that are consistent with and are necessary or proper in order to carry out the provisions of KRS 16.505 to 16.652 and 61.505 to 61.705. KRS 61.552(9)(a)3. authorizes an employee to purchase service credit in CERS, KERS, or SPRS by rollover or transfer of funds from a retirement plan or deferred compensation arrangement, to the extent allowed under the Internal Revenue Code.

7. **Justification for Amendment(s) or New Regulation(s):** The amendment to this administrative regulation is primarily technical in nature. It updates statutory citations, replaces a form previously incorporated by reference with a citation to the regulation that incorporates the form by reference, and aligns language with the drafting requirements of KRS Chapter 13A.

8. **Affected Entities:** This regulation affects those participants, of approximately 433,461, in the retirement

systems who want to purchase service credit by rollover or transfer of funds from a retirement plan or deferred compensation arrangement.

9. *Is there a cost to or savings for the affected entities or the agency? If so, please explain and include funding source:* The costs for the amendment, which is primarily technical in nature, is minimal because the regulation is already being implemented as written. Administrative expenses of the Kentucky Public Pensions Authority are paid from the Retirement Allowance Account (trust and agency funds).

10. *Is the regulation more stringent than federal regulation? If so, explain how and why:* There is no federal equivalent.

11. *Internal-External review/stakeholder involvement in promulgation process:* The amended regulation was reviewed/discussed/and revised internally by staff and the Executive Team.

12. *Is Tiering Applied? (Explain why or why not):* No, tiering is not applied. All participants who want to purchase service credit by rollover or contribution from another plan must comply with the same requirements.

1 FINANCE AND ADMINISTRATION CABINET

2 Kentucky Public Pensions Authority

3 (Amendment)

4 105 KAR 1:340. Rollovers and transfers of contributions in other plans.

5 RELATES TO: KRS 16.505 – 16.652~~[16.510–16.652]~~, 61.505, 61.552~~[61.515–61.705]~~,
6 78.510 – 78.852~~[78.520–78.852]~~, 26 U.S.C. secs. 401(a)(31), 402(c), 408(d)(3)

7 STATUTORY AUTHORITY: KRS 61.505(1)(g)~~[61.645(9)(e)]~~

8 CERTIFICATION STATEMENT: This is to certify that this administrative regulation
9 complies with KRS 13A.150(2) because it does not have a major economic impact.

10 NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.505(1)(g) authorizes the
11 Kentucky Public Pensions Authority on behalf of the County Employees Retirement System and
12 Kentucky Retirement System to promulgate all administrative regulations that are consistent
13 with and are necessary or proper in order to carry out the provisions of duties authorized by KRS
14 16.505 to 16.652 and 61.505 to 61.705. KRS 61.552(9)(a)3.~~[61.552(16)(h)]~~ authorizes an
15 eligible employee to purchase service credit in the County Employees Retirement System,
16 Kentucky Employees Retirement System, or State Police Retirement System~~[Kentucky~~
17 ~~Retirement Systems]~~ by rollover or transfer of funds from a retirement plan or deferred
18 compensation arrangement, to the extent allowed under the Internal Revenue Code. This
19 administrative regulation establishes the procedures and the form for purchasing service
20 credit~~[forms for making purchases]~~ by rollover or transfer of funds from a retirement plan or

1 deferred compensation arrangement.

2 Section 1. (1) (a) An eligible employee ~~may~~~~[eligible to]~~ purchase service credit under
3 KRS ~~16.505~~~~[16.510]~~ to 16.652, ~~61.510~~~~[61.515]~~ to 61.705, or ~~78.510~~~~[78.520]~~ to 78.852~~[may~~
4 ~~purchase the service]~~ by:

5 1. Transferring~~[transferring]~~ funds through a direct trustee-to-trustee transfer pursuant
6 ~~to~~~~[, as permitted under]~~ applicable sections of the Internal Revenue Code and associated
7 regulations or rulings;~~[-]~~

8 2. Direct~~[(b) Service credit may also be purchased through a direct]~~ rollover pursuant to;
9 ~~as contemplated by and permitted under]~~ 26 USC sec. 401(a)(31) and associated regulations or
10 rulings; ~~or~~~~[-]~~

11 3. Rollover~~[(e) Service credit may also be purchased by a rollover]~~ of funds pursuant
12 ~~to~~~~[and permitted under]~~ 26 USC sec. 402(c) or 408(d)(3).

13 ~~(b)~~~~[(d)]~~ The Kentucky Public Pensions Authority~~[Kentucky Retirement Systems]~~ shall
14 accept the transfer or rollover to the extent permitted by law pursuant to~~[, as specified in the]~~
15 applicable provisions of the Internal Revenue Code and associated regulations and rulings.

16 (2) The agency~~[retirement system]~~ shall not accept a rollover or transfer of funds from a
17 retirement plan or deferred compensation arrangement unless the employee has obtained a
18 calculation of the cost of the service from the agency~~[retirement system]~~.

19 Section 2. (1) An employee who intends to rollover or transfer eligible funds from a
20 retirement plan or deferred compensation arrangement shall complete Section 1 of "Form 4170,
21 Direct Transfer/Rollover Authorization Form", incorporated by reference in 105 KAR 1:330.

22 (2) The financial institution or plan administrator responsible for the employee's account
23 in the retirement plan or deferred compensation arrangement shall complete Section 2 of Form

1 4170["~~Form 4170, Direct Transfer/Rollover Authorization Form~~"].

2 (3) The completed Form 4170["~~Form 4170, Direct Transfer/Rollover Authorization~~
3 ~~Form~~"], shall be filed at the agency["~~retirement system~~"] by the payment due date. A completed
4 form not filed by the payment due date shall be void.

5 (4) The financial institution shall complete the rollover or transfer within sixty (60) days
6 from the payment due date.

7 Section 3. If the employee is making a lump sum purchase by rollover or transfer from a
8 retirement plan or deferred compensation arrangement and the total distribution amount at the
9 time of transfer or rollover by the financial institution or plan administrator responsible for the
10 employee's account in the retirement plan or deferred compensation arrangement is less than
11 total cost of the service:

12 (1) Upon notification, the employee shall pay the additional cost by the purchase due
13 date.

14 (2) If the transfer or rollover amount is not known until after the purchase due date["~~date~~
15 ~~the purchase was due~~"], the employee shall have ten (10) working days from the date of
16 notification to submit the additional cost due.

17 (3) If the employee does not timely submit["~~file~~"] the payment pursuant to subsection 1 or
18 2 of this section for the additional cost due to the agency, the agency["~~in the retirement office by~~
19 ~~the date the purchase is due, the retirement system~~"] shall credit the employee's account with the
20 maximum service credit that may be purchased under the applicable statute for the type of
21 service, whether in months or increments, by an amount equal to or less than the total
22 distribution. The agency["~~retirement system~~"] shall return any excess amount to the retirement plan
23 or deferred compensation arrangement.

Section 4. If the total distribution amount at the time of transfer or rollover by the financial institution or plan administrator responsible for the employee's account in the retirement plan or deferred compensation arrangement is less than total cost of the service, and the employee is paying the remaining principal of an installment purchase agreement under KRS 61.552(9)(a)2,~~[61.552(16)]~~:

(1) The employee shall pay the additional cost due within sixty (60) days of termination of the installment purchase agreement.

(2) If the employee does not submit the payment to the agency~~[file the payment in the retirement office]~~ by the purchase due date~~[date the purchase is due]~~ or within sixty (60) days of termination of the installment purchase agreement, the agency~~[retirement system]~~ shall return the total distribution to the retirement plan or deferred compensation arrangement.

Section 5. If the actual total distribution at the time of transfer by the financial institution responsible for the employee's account in the retirement plan or deferred compensation arrangement is greater than the amount certified on Form 4170, Direct Transfer/Rollover Authorization Form, the amount in excess of the cost of the service shall be returned:

(1) First, to the employee from funds~~[, if any,]~~ paid by the employee toward the service purchase; and~~[or]~~

(2) Second, to the financial institution responsible for the employee's account in the retirement plan or deferred compensation arrangement.~~[Section 6. Incorporation by Reference.~~

~~(1) "Form 4170, Direct Transfer/Rollover Authorization Form, April 2002", Kentucky Retirement Systems, is incorporated by reference.~~

~~(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road,~~

- 1 ~~Frankfort, Kentucky, Monday through Friday, 8 a.m. to 4:30 p.m.]~~

105 KAR 1:340 Rollovers and transfers of contributions in other plans is approved for filing.

Ryan Barrow,
Executive Director
Kentucky Public Pensions Authority

Date

105 KAR 1:340 Rollovers and transfers of contributions in other plans.

Certified pursuant to KRS 13A.150(2) and (3):

No signature pursuant to current litigation in Franklin County Circuit Court (Case No. 25-CI-00269).

Andy Beshear
Governor

Date

Ryan Barrow
Executive Director
Kentucky Public Pensions Authority

Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on Monday, January 26, 2026 at 10:00 a.m. Eastern Time at the Kentucky Public Pensions Authority (KPPA), 1270 Louisville Road, Frankfort, Kentucky 40601. Individuals interested in presenting a public comment at this hearing shall notify this agency in writing no later than five (5) workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through January 31, 2026 and shall receive the same consideration as verbal comments. Send written notification of intent to be heard at the public hearing, or written comments on the proposed administrative regulation, to the contact person.

KPPA shall file a response with the Regulations Compiler to any public comments received, whether at the public comment hearing or in writing, via a Statement of Consideration no later than the 15th day of the month following the end of the public comment period, or upon filing a written request for extension, no later than the 15th day of the second month following the end of the public comment period.

Contact person: Carole J. Catalfo
Policy Specialist
Kentucky Public Pensions Authority
1260 Louisville Road
Frankfort, Kentucky 40601
Phone (502) 696-8679
Fax (502) 696-8615
Email: Legal.Non-Advocacy@kyret.ky.gov

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

105 KAR 1:340

Contact Person: Carole J. Catalfo

Phone: (502) 696-8679

Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the procedures and the form for purchasing service credit by rollover or transfer of funds from a retirement plan or deferred compensation arrangement to the extent allowed under the Internal Revenue Code.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to establish the procedures and the form for purchasing service credit by rollover or transfer of funds from a retirement plan or deferred compensation arrangement to the extent allowed under the Internal Revenue Code.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 61.505(1)(g) authorizes the Board of Trustees of the Kentucky Public Pensions Authority to promulgate all administrative regulations that are consistent with and are necessary or proper in order to carry out the provisions of KRS 16.505 to 16.652 and 61.505 to 61.705. KRS 61.552(9)(a)3. authorizes an employee to purchase service credit in the County Employees Retirement System, Kentucky Employees Retirement System, or State Police Retirement System by rollover or transfer of funds from a retirement plan or deferred compensation arrangement, to the extent allowed under the Internal Revenue Code.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation assists in the effective administration of the statutes by establishing the procedures and the form for purchasing service credit by rollover or transfer of funds from a retirement plan or deferred compensation arrangement to the extent allowed under the Internal Revenue Code.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The amendment to this administrative regulation updates statutory citations, replaces a form previously incorporated by reference with a citation to the regulation that incorporates the form by reference, and aligns language with the drafting requirements of KRS Chapter 13A.

(b) The necessity of the amendment to this administrative regulation: The amendment to this administrative regulation is necessary to update statutory citations, replace a form previously incorporated by reference with a citation to the regulation that incorporates the form by

reference, and to align language with the drafting requirements of KRS Chapter 13A.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 61.505(1)(g) authorizes the Board of Trustees of the Kentucky Public Pensions Authority to promulgate all administrative regulations that are consistent with and are necessary or proper in order to carry out the provisions of KRS 16.505 to 16.652 and 61.505 to 61.705. KRS 61.552(9)(a)3. authorizes an employee to purchase service credit in the County Employees Retirement System, Kentucky Employees Retirement System, or State Police Retirement System by rollover or transfer of funds from a retirement plan or deferred compensation arrangement, to the extent allowed under the Internal Revenue Code.

(d) How the amendment will assist in the effective administration of the statutes: The amendment to this administrative regulation will assist in the effective administration of the statutes by updating statutory citations, replacing a form previously incorporated by reference with a citation to the regulation that incorporates the form by reference, and aligning language to the drafting requirements of KRS Chapter 13A.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation affects the Kentucky Public Pensions Authority. There are approximately 433,461 participants in the retirement systems; this administrative regulation affects those participants who want to purchase service credit in the County Employees Retirement System, Kentucky Employees Retirement System, or State Police Retirement System by rollover or transfer of funds from a retirement plan or deferred compensation arrangement, to the extent allowed under the Internal Revenue Code.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: The regulated community will be minimally impacted because the administrative regulation is already being implemented as written. The amendments are primarily technical in nature.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): The cost of compliance with the amendment is minimal because the administrative regulation is already being implemented as written. The amendments are primarily technical in nature.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The regulated community will benefit from updates to statutory citations and language that aligns with the drafting requirements of KRS Chapter 13A.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: The cost of implementing the amendment is minimal because the administrative regulation is already being implemented as written.

(b) On a continuing basis: The cost of implementing the amendment is minimal because the administrative regulation is already being implemented as written.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Administrative expenses of the Kentucky Public Pensions Authority are paid from the Retirement Allowance Account (trust and agency funds).

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No, an increase in funding will not be necessary to implement this amendment.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: No, this administrative regulation does not establish any fees or directly or indirectly increase any fees.

(9) TIERING: Is tiering applied? (Explain why or why not) No, tiering is not applied. All participants who wish to purchase service credit by rollover or transfer of funds from a retirement plan or deferred compensation arrangement must follow the same process and procedures.

FISCAL IMPACT STATEMENT

105 KAR 1:340

Contact Person: Carole J. Catalfo

Phone: (502) 696-8679

Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 61.505(1)(g) authorizes the Board of Trustees of the Kentucky Public Pensions Authority to promulgate all administrative regulations that are consistent with and are necessary or proper in order to carry out the provisions of KRS 16.505 to 16.652 and 61.505 to 61.705. KRS 61.552(9)(a)3. authorizes an employee to purchase service credit in the County Employees Retirement System, Kentucky Employees Retirement System, or State Police Retirement System by rollover or transfer of funds from a retirement plan or deferred compensation arrangement, to the extent allowed under the Internal Revenue Code.

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act: KRS 61.505(1)(g)

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions: The Kentucky Public Pensions Authority is the promulgating agency. There are no other affected state units, parts, or divisions.

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:

For the first year: None.

For subsequent years: None.

2. Revenues:

For the first year: None.

For subsequent years: None.

3. Cost Savings:

For the first year: None.

For subsequent years: None.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts): There are no other affected entities.

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year: None.

For subsequent years: None.

2. Revenues:

For the first year: None.

For subsequent years: None.

3. Cost Savings:

For the first year: None.

For subsequent years: None.

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a): There are no additional regulated entities.

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

For the first year: None.

For subsequent years: None.

2. Revenues:

For the first year: None.

For subsequent years: None.

3. Cost Savings:

For the first year: None.

For subsequent years: None.

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation: This administrative will have minimal fiscal impact. It is already being administered as written.

(b) Methodology and resources used to determine the fiscal impact: The agency reviewed its processes and procedures related to purchasing service credit in the County Employees Retirement System, Kentucky Employees Retirement System, and State Police Retirement System by rollover or transfer of funds from a retirement plan or deferred compensation arrangement, to the extent allowed under the Internal Revenue Code.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(13): No, this administrative regulation will not have a major economic impact as defined by KRS 13A.010(13). It is already being administered as written.

(b) The methodology and resources used to reach this conclusion: The agency reviewed its processes and procedures related to purchasing service credit in the County Employees Retirement System, Kentucky Employees Retirement System, and State Police Retirement System by rollover or transfer of funds from a retirement plan or deferred compensation arrangement, to the extent allowed under the Internal Revenue Code.



Brief for Administrative Regulations

Date: September 2025

1. Number and Title of Regulation(s): 105 KAR 1:350 Collection of account under \$1000 by next of kin

☐ Emergency Regulation ☐ New Administrative Regulation ☒ Amendment
☐ Repealer ☐ Amended After Comments (w/SOC) ☐ Not Amended After Comments

2. Proposed schedule for regulation process:

File – by November 15, 2025

Public Comment period – through January 31, 2026

Public Hearing – January 26, 2026

ARRS – February 2026 (if no comments are received), March 2026 (if comments are received)

3. Statutory Authority: KRS 61.505(1)(g), 61.645(4)(j), 78.782(4)(j)

4. a) Major Economic Impact Certification (KRS 13A.010, Section 1(13): Will the combined implementation and compliance costs of this administrative regulation be at least five hundred thousand dollars (\$500,000) over any two-year period? No. The regulations are already being administered as written.

b) Cite the exemption under KRS 13A.105(2):

(a) Will not have a major economic impact:

(b) *Is an emergency administrative regulation that must be put into effect immediately to meet an imminent threat to public health, safety, or welfare;*

(c) *Is necessary to prevent the loss of federal or state funds;*

(d) *Is necessary to meet a deadline that is established by federal law, federal regulation, or state law;*

(e) *Is necessary to comply with a final order from a court of competent jurisdiction; or*

(f) *Relates to the licensure and regulation of health facilities and services pursuant to KRS Chapter 216B..*

5. If applicable, list the statute that requires this regulation to be submitted to another official or administrative body for review or approval prior to filing the administrative regulation with the LRC (KRS 13A.220, Section 5(6)(a)): None.

6. Summary of the Regulation: KRS 61.703 provides upon the death of a member who has an existing account that totals no more than \$1,000, a survivor may without formal administration of the estate collect the account by filing an appropriate affidavit that conforms to the requirements of the administrative regulation promulgated by the board. KRS 61.505(1)(g) and 61.645(9)(e) authorize the KPPA on behalf of the boards to promulgate administrative regulations that are consistent with and necessary or proper to carry out the provisions of KRS 16.505 to 16.652, 61.505 to 61.705, and 78.510 to 78.852. This administrative regulation establishes the process to file for collection of the account.

7. Justification for Amendment(s) or New Regulation(s): The amendment to this administrative regulation is primarily technical in nature. It removes the previous numerical limit of \$7500 in favor of citing the statute that establishes the exemption amount, updates statutory citations, updates the affidavit

incorporated by reference, and aligns language with the drafting requirements of KRS Chapter 13A.

8. **Affected Entities:** This administrative regulation affects only next of kin who file for collection of a deceased member's account without formal administration of the estate when the assets total no more than \$1000, or approximately 200 people per year.

9. **Is there a cost to or savings for the affected entities or the agency? If so, please explain and include funding source:** The costs for the amendment, which is primarily technical in nature, is minimal because the regulation is already being implemented as written. Administrative expenses of the Kentucky Public Pensions Authority are paid from the Retirement Allowance Account (trust and agency funds).

10. **Is the regulation more stringent than federal regulation? If so, explain how and why:** No.

11. **Internal-External review/stakeholder involvement in promulgation process:** The amended regulation was reviewed/discussed/and revised internally by staff and the Executive Team.

12. **Is Tiering Applied? (Explain why or why not):** No, tiering is not applied. All survivors who want to collect assets totaling less than \$1000 must comply with the same requirements.

1 FINANCE AND ADMINISTRATION CABINET

2 Kentucky Public Pensions Authority

3 (Amendment)

4 105 KAR 1:350. Collection of account under \$1000 by next of kin~~[without formal~~
5 ~~administration of estate]~~.

6 RELATES TO: KRS 61.703, 78.545

7 STATUTORY AUTHORITY: KRS 61.505(1)(g), 61.645(9)(e), 61.703(2)

8 CERTIFICATION STATEMENT: This is to certify that this administrative regulation
9 complies with KRS 13A.150(2) because it does not have a major economic impact.

10 NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.703 provides upon the death
11 of a member, retiree, or recipient who has an existing account or other benefit that totals no more
12 than \$1,000, a surviving spouse, child, parent, or brother or sister may without formal
13 administration of the estate collect the account by filing an appropriate affidavit, that conforms to
14 the requirements of the administrative regulation promulgated by the board, with the Kentucky
15 Public Pensions Authority~~[Retirement Systems]~~. KRS 61.505(1)(g) and 61.645(9)(e) authorize
16 the Kentucky Public Pensions Authority on behalf of Kentucky Retirement Systems and County
17 Employees Retirement System to promulgate administrative regulations that are consistent with
18 and necessary or proper to carry out the provisions of KRS 16.505 to 16.652, 61.505 to 61.705,
19 and 78.510 to 78.852. This administrative regulation establishes the process to file~~[for filing]~~ for
20 collection of the account.

Section 1. Section 1. The survivor who makes demand for the deceased member, retiree, or recipient account shall file with the agency~~[retirement office]~~ a Form 6826, Affidavit for Collection of Account Without Formal Administration of Estate or other notarized affidavit, and shall confirm or state:

(1) The affidavit is for the collection of deceased member, retiree, or recipient account and is made in accordance with the provisions of KRS 61.703 allowing for the collection of the account without formal administration of the estate;

(2) The date of death of the member, retiree, or recipient, and confirm that ninety (90) days have elapsed since the date of death;

(3) No application or petition for the appointment of a personal representative of the estate of the member, retiree, or recipient is pending or has been granted in any jurisdiction;

(4) The value of the gross estate, wherever located and less liens and encumbrances, of the deceased member, retiree, or recipient does not exceed the exemption amount established in KRS 391.030 or the amount exempt from formal distribution in the state in which the member was domiciled at the time of their death~~[\$7,500]~~;

(5) That the affiant~~[he or she]~~ is the surviving spouse; or if none, a surviving child; or if none, a surviving parent; or if none, a surviving brother or sister;

(6) That the affiant~~[he or she]~~ is entitled to payment of the account; and

(7) That the Kentucky Public Pensions Authority~~[Retirement Systems]~~ shall be discharged and held harmless to the same extent as if conducting business with a personal representative; and in the event any person or entity establishes a superior right to the account, the affiant~~[survivor]~~ shall acknowledge that they~~[he or she]~~, and not the Kentucky Public Pensions Authority~~[Retirement Systems]~~, shall be answerable and accountable for the member,

1 retiree, or recipient account to any creditor or appointed personal representative of the estate.

2 Section 2. The affidavit shall be accompanied by the death certificate, or if no death
3 certificate is available, other acceptable evidence of death of the member, retiree, or recipient.

4 Section 3. The Kentucky Public Pensions Authority~~[Retirement Systems]~~, upon receipt of
5 a properly executed~~[properly executed]~~ affidavit for collection of account without formal
6 administration of estate accompanied by death certificate, shall make payable to the surviving
7 spouse, child, parent, or brother or sister the assets~~[account]~~ of the deceased member, retiree, or
8 recipient if the assets due to the estate are less than \$1000.

9 Section 4. Incorporation by Reference.

10 (1) "Form 6826, Affidavit for Collection of Account Without Formal Administration of
11 Estate, 11/2025~~[August 2002]~~", Kentucky Public Pensions Authority~~[Retirement Systems]~~, is
12 incorporated by reference.

13 (2) This material may be inspected, copied, or obtained, subject to applicable copyright
14 law, at the Kentucky Public Pensions Authority~~[Retirement Systems, Perimeter Park West]~~, 1260
15 Louisville Road, Frankfort, Kentucky 40601-6124, Monday through Friday, 8 a.m. to 4:30 p.m.
16 and on the agency's website at kyret.ky.gov.

105 KAR 1:350. Collection of account without formal administration of estate is approved for filing.

Ryan Barrow,
Executive Director
Kentucky Public Pensions Authority

Date

105 KAR 1:350. Collection of account without formal administration of estate.

Certified pursuant to KRS 13A.150(2) and (3):

No signature pursuant to current litigation in Franklin County Circuit Court (Case No. 25-CI-00269).

Andy Beshear
Governor

Date

Ryan Barrow
Executive Director
Kentucky Public Pensions Authority

Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on Monday, January 26, 2026 at 10:00 a.m. Eastern Time at the Kentucky Public Pensions Authority (KPPA), 1270 Louisville Road, Frankfort, Kentucky 40601. Individuals interested in presenting a public comment at this hearing shall notify this agency in writing no later than five (5) workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through January 31, 2026 and shall receive the same consideration as verbal comments. Send written notification of intent to be heard at the public hearing, or written comments on the proposed administrative regulation, to the contact person.

KPPA shall file a response with the Regulations Compiler to any public comments received, whether at the public comment hearing or in writing, via a Statement of Consideration no later than the 15th day of the month following the end of the public comment period, or upon filing a written request for extension, no later than the 15th day of the second month following the end of the public comment period.

Contact person: Carole J. Catalfo
Policy Specialist
Kentucky Public Pensions Authority
1260 Louisville Road
Frankfort, Kentucky 40601
Phone (502) 696-8679
Fax (502) 696-8615
Email: Legal.Non-Advocacy@kyret.ky.gov

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

105 KAR 1:350

Contact Person: Carole J. Catalfo

Phone: (502) 696-8679

Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the process for next of kin to file for collection of a deceased member's account without formal administration of the estate when the assets total no more than \$1000.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to establish the process to file for collection of a deceased member's account by their next of kin when the assets total no more than \$1000.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 61.703 provides upon the death of a member, retiree, or recipient who has an existing account or other benefit that totals no more than \$1,000, a surviving spouse, child, parent, or brother or sister may without formal administration of the estate collect the account by filing an appropriate affidavit, that conforms to the requirements of the administrative regulation promulgated by the board, with the Kentucky Public Pensions Authority. KRS 61.505(1)(g) and 61.645(9)(e) authorize the Kentucky Public Pensions Authority on behalf of Kentucky Retirement Systems and County Employees Retirement System to promulgate administrative regulations that are consistent with and necessary or proper to carry out the provisions of KRS 16.505 to 16.652, 61.505 to 61.705, and 78.510 to 78.852.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation assists in the effective administration of the statutes by establishing the process for next of kin to file for collection of a deceased member's account without formal administration of the estate when the assets total no more than \$1000.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The amendment to this administrative regulation revises its title, corrects statutory references, replaces the \$7500 exemption with a citation to the statute that establishes the exemption, updates the affidavit incorporated by reference and language to align with KRS Chapter 13A drafting requirements.

(b) The necessity of the amendment to this administrative regulation: The amendment to this administrative regulation is necessary to revise its title, correct statutory references, update

the affidavit incorporated by reference and language to align with KRS Chapter 13A drafting requirements.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 61.703 provides upon the death of a member, retiree, or recipient who has an existing account or other benefit that totals no more than \$1,000, a surviving spouse, child, parent, or brother or sister may without formal administration of the estate collect the account by filing an appropriate affidavit, that conforms to the requirements of the administrative regulation promulgated by the board, with the Kentucky Public Pensions Authority. KRS 61.505(1)(g) and 61.645(9)(e) authorize the Kentucky Public Pensions Authority on behalf of Kentucky Retirement Systems and County Employees Retirement System to promulgate administrative regulations that are consistent with and necessary or proper to carry out the provisions of KRS 16.505 to 16.652, 61.505 to 61.705, and 78.510 to 78.852.

(d) How the amendment will assist in the effective administration of the statutes: The amendment to this administrative regulation is necessary to revise its title, correct statutory references, update the affidavit incorporated by reference and language to align with KRS Chapter 13A drafting requirements.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation affects only next of kin who file for collection of a deceased member's account without formal administration of the estate when the assets total no more than \$1000, or approximately 200 people per year.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: No additional steps to comply with this amendment will be necessary. This administrative regulation is already administered as written.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There are no costs associated with this administrative regulation.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The regulated individuals will have the benefit of a more accurate title for the regulation, corrected statutory references, an updated affidavit incorporated by reference and updated language that aligns with KRS Chapter 13A drafting requirements.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There is no additional cost to the agency. This administrative regulation is already administered as written.

(b) On a continuing basis: There is no additional cost to the agency. This administrative regulation is already administered as written.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Administrative expenses of the Kentucky Public Pensions Authority are paid from the Retirement Allowance Account (trust and agency funds).

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No increase in funding will be necessary.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This administrative regulation does not establish any fees or directly or indirectly increase any fees.

(9) TIERING: Is tiering applied? (Explain why or why not) No, tiering is not applied. The process is the same for any next of kin who applies to collect a deceased member's account under \$1000.

FISCAL IMPACT STATEMENT

105 KAR 1:350

Contact Person: Carole J. Catalfo

Phone: (502) 696-8679

Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 61.703 provides upon the death of a member, retiree, or recipient who has an existing account or other benefit that totals no more than \$1,000, a surviving spouse, child, parent, or brother or sister may without formal administration of the estate collect the account by filing an appropriate affidavit, that conforms to the requirements of the administrative regulation promulgated by the board, with the Kentucky Public Pensions Authority. KRS 61.505(1)(g) and 61.645(9)(e) authorize the Kentucky Public Pensions Authority on behalf of Kentucky Retirement Systems and County Employees Retirement System to promulgate administrative regulations that are consistent with and necessary or proper to carry out the provisions of KRS 16.505 to 16.652, 61.505 to 61.705, and 78.510 to 78.852.

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act: KRS 61.703, 61.505(1)(g), and 61.645(9)(e).

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions: The promulgating agency is the Kentucky Public Pensions Authority. There are no other affected state units, parts, or divisions.

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:
For the first year: None.
For subsequent years: None.
2. Revenues:
For the first year: None.
For subsequent years: None.
3. Cost Savings:
For the first year: None.
For subsequent years: None.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts): There are no affected local entities.

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:
For the first year: N/A
For subsequent years: N/A

2. Revenues:

For the first year: N/A

For subsequent years: N/A

3. Cost Savings:

For the first year: N/A

For subsequent years: N/A

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a): There are no additional regulated entities.

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

For the first year: N/A

For subsequent years: N/A

2. Revenues:

For the first year: N/A

For subsequent years: N/A

3. Cost Savings:

For the first year: N/A

For subsequent years: N/A

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation: This administrative regulation has little fiscal impact. It is being administered as written.

(b) Methodology and resources used to determine the fiscal impact: The agency analyzed its costs and procedures related to collection of a deceased member's account by their next of kin when the assets total no more than \$1000.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a "major economic impact", as defined by KRS 13A.010(13): No, this administrative regulation will not have a major economic impact as defined by KRS 13A.010(13).

(b) The methodology and resources used to reach this conclusion: The agency analyzed its costs and procedures related to collection of a deceased member's account by their next of kin when the assets total no more than \$1000.

SUMMARY OF CHANGES TO MATERIALS INCORPORATED BY REFERENCE

The “Form 6826, Affidavit for Collection of Account Under \$1000 by Next of Kin”, Rev 11/2025, KPPA, is the one-page document used by next of kin to apply for collection of a deceased member’s account when the amount is less than \$1000.

Changes to the previous form include:

Name, address, and logo change from Kentucky Retirement Systems to Kentucky Public Pensions Authority.

Title change from “Affidavit for Collection of Account Without Formal Administration of Estate” to “Affidavit for Collection of Account Under \$1000 by Next of Kin”.

Aligns member information fields.

Aligns decedent information fields in statement 3.

Removes the \$7500 exemption amount which no longer applies, and replaces it with a citation to KRS 391.030 which establishes the exemption amount for a domiciliary of Kentucky, and with a reference to the exemption amount for an out-of-state domiciliary.

**Kentucky Public Pensions Authority [Kentucky Retirement Systems]**

[Perimeter Park West] • 1260 Louisville Rd. • Frankfort KY 40601-6124
 Phone: (502) 696-8800 • Fax: (502) 696-8822 • kyret.ky.gov



Form 6826
 Revised
 11/2025[03/2009]

Print Form

Affidavit for Collection of Account Under \$1000 by Next of Kin [Without Formal Administration of Estate]**Member Information**

Member Name:	Member ID:
--------------	------------

Comes the affiant, _____ with Social Security No. _____ (your-name) of
 _____ (Your Name)

_____ [(street-address)] _____ [(city)] _____ [(state)]
 (Street address, city, and state)

[with Social Security No. _____ (your-social-security-number)] and hereby swears and affirms that:

1. I am over the age of eighteen (18) years and am otherwise competent to be a witness. I have personal knowledge of the facts and matters set forth herein.
2. This affidavit is being made pursuant to KRS 61.703 and 105 KAR 1:350 for the collection of a deceased member, retiree, or recipient account.
3. _____ [(name-of-decedent)], with Social Security No. _____ [(decendent's social security number)]
 (Name of Decedent)
 died on _____, 20__ [(date)] and was a resident of _____ County, State of _____,
 at the time of death, and that ninety (90) days have elapsed since the date of death. I have attached a death certificate.
4. No application or petition for the appointment of a personal representative is pending or has been granted in any jurisdiction.
5. The value of the decedent's gross estate, wherever located and less liens and encumbrances, does not exceed the exemption amount established in KRS 391.030 or the amount exempt from formal distribution in the state in which the member was domiciled at the time of their death [\$7,500].
6. I affirm that (check only one):
 - ☐ I am the surviving spouse of the decedent.
 - ☐ I am the surviving child, and no spouse survives the decedent.
 - ☐ I am the surviving parent, and no spouse or child survives the decedent.
 - ☐ I am the surviving brother or sister, and no spouse, child, or parent survives the decedent.
7. The deceased member, retiree, or recipient account totals no more than \$1,000 and I am entitled to payment of the account.
8. I acknowledge that the Kentucky Retirement Systems shall be discharged and held harmless to the same extent as if conducting business with a personal representative; and in the event any person or entity establishes a superior right to the account, I acknowledge that I shall be answerable and accountable for the member, retiree, or recipient account to any creditor or appointed personal representative for the estate.

Signature: _____

Date: _____

Notary Certificate

State of: _____

County of: _____

The foregoing affidavit was acknowledged, by _____ (affiant's name) before me this ____ day of _____, 20__.

Notary Seal

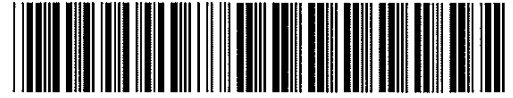
My Commission Expires: _____

Notary Public: _____



Kentucky Public Pensions Authority

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 • Fax: (502) 696-8822 • kyret.ky.gov



Form 6826

Revised 11/2025

Print Form

Affidavit for Collection of Account Under \$1000 by Next of Kin

Member Information

Member Name:	Member ID:
--------------	------------

Comes the affiant, _____, with Social Security No. _____, of
 (Your Name)
 _____ and hereby swears and affirms that:
 (Street address, city, and state)

1. I am over the age of eighteen (18) years and am otherwise competent to be a witness. I have personal knowledge of the facts and matters set forth herein.
2. This affidavit is being made pursuant to KRS 61.703 and 105 KAR 1:350 for the collection of a deceased member, retiree, or recipient account.
3. _____ with Social Security No. _____ died on _____, 20____ and was a
 (Name of Decedent)
 resident of _____ County, State of _____, at the time of
 death, and that ninety (90) days have elapsed since the date of death. I have attached a death certificate.
4. No application or petition for the appointment of a personal representative is pending or has been granted in any jurisdiction.
5. The value of the decedent's gross estate, wherever located and less liens and encumbrances, does not exceed the exemption amount established in KRS 391.030 or the amount exempt from formal distribution in the state in which the member was domiciled at the time of their death.
6. I affirm that (check only one):
 - ☐ I am the surviving spouse of the decedent.
 - ☐ I am the surviving child, and no spouse survives the decedent.
 - ☐ I am the surviving parent, and no spouse or child survives the decedent.
 - ☐ I am the surviving brother or sister, and no spouse, child, or parent survives the decedent.
7. The deceased member, retiree, or recipient account totals no more than \$1,000 and I am entitled to payment of the account.
8. I acknowledge that the Kentucky Retirement Systems shall be discharged and held harmless to the same extent as if conducting business with a personal representative; and in the event any person or entity establishes a superior right to the account, I acknowledge that I shall be answerable and accountable for the member, retiree, or recipient account to any creditor or appointed personal representative for the estate.

Signature: _____

Date: _____

Notary Certificate

State of: _____

County of: _____

The foregoing affidavit was acknowledged, by _____ (affiant's name) before me this ____ day of
 _____, 20____.

My Commission Expires: _____

Notary Seal

Notary Public: _____



Brief for Administrative Regulations

Date: September 2025

1. Number and Title of Regulation(s): 105 KAR 1:320 Proration of service credit

☐ Emergency Regulation ☐ New Administrative Regulation ☐ Amendment
☐ Repealer ☐ Amended After Comments (w/SOC) ☐ Not Amended After Comments
☒ Certification ☐ Technical Amendment

2. Proposed schedule for regulation process:

File – by November 15, 2025
Public Comment period – none
Public Hearing – none
ARRS – none

3. Statutory Authority: KRS 13A.3102 and 3104; KRS 61.545 and 61.680

4. Summary of the Regulation: KRS 61.545 provides for division of service credit based on the total compensation between systems and between hazardous and nonhazardous positions where the employee earns creditable compensation in more than one (1) position. KRS 61.680 provides for an employee to earn service credit, if the employee works in more than one (1) position with agencies participating in the same retirement system, including part-time positions. This administrative regulation establishes the formula for dividing the service between the positions.

5. Justification for certification: KRS 13A.3102 mandates that an administrative regulation expires 7 years after its effective date, unless the promulgating agency, pursuant to KRS 13A.3104, certifies to the LRC that it has reviewed the regulation, and that the regulation may remain in effect without amendment because it complies with current governing law.

KPPA has reviewed 105 KAR 1:320 and determined that the regulation complies with current governing law and can remain in effect without amendment.



KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601
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October 1, 2025

Ms. Emily Caudill, Regulations Compiler
Legislative Research Commission
083, Capitol Annex
702 Capitol Avenue
Frankfort, KY 4601

RE: 105 KAR 1:320 Proration of service credit

Dear Ms. Caudill,

Kentucky Public Pensions Authority has reviewed 105 KAR 1:320 Proration of service credit in its entirety for compliance with the requirements of KRS Chapter 13A and relevant agency-related statutes.

This administrative regulation shall remain in effect without amendment because it remains in compliance with KRS 61.545, 61.680, and Chapter 13A.

Sincerely,

Ryan Barrow
Executive Director
Kentucky Public Pensions Authority

RB/cjc



Brief for Administrative Regulations

Date: September 2025

1. Number and Title of Regulation(s): 105 KAR 1:345 Rollover and transfers of contributions to other plans

☐ Emergency Regulation ☐ New Administrative Regulation ☐ Amendment
☐ Repealer ☐ Amended After Comments (w/SOC) ☐ Not Amended After Comments
☒ Certification ☒ Technical Amendment

2. Proposed schedule for regulation process:

File – by November 15, 2025
Public Comment period – none
Public Hearing – none
ARRS – none

3. Statutory Authority: KRS 13A.3102 and 3104; KRS 61.645(g)

4. Summary of the Regulation: KRS 61.645(9)(g) requires the KPPA to promulgate administrative regulations necessary or proper in order to carry out the provisions of KRS 16.505 to 16.652, 61.510 to 61.705, and 78.510 to 78.852. This administrative regulation establishes what constitutes eligible rollover distributions, eligible retirement plans, distributions, distributees, and direct rollovers for purposes of compliance with 26 U.S.C. 401(a).

5. Justification for certification: KRS 13A.3102 mandates that an administrative regulation expires 7 years after its effective date, unless the promulgating agency, pursuant to KRS 13A.3104, certifies to the Legislative Research Commission (LRC) that it has reviewed the regulation, and that the regulation may remain in effect without amendment because it complies with current governing law. KPPA has reviewed 105 KAR 1:345 and determined that the regulation complies with current governing law and can remain in effect without amendment.

6. Justification for technical amendment: KRS 13A.040(10) and 13A.312(2) allow the LRC to correct errors that do not affect the scope or substance of an administrative regulation. After review, the KPPA and LRC agreed that two errors contained in 105 KAR 1:345 can be corrected by a request for a technical amendment.



KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601
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October 1, 2025

Ms. Emily Caudill, Regulations Compiler
Legislative Research Commission
083, Capitol Annex
702 Capitol Avenue
Frankfort, KY 4601

RE: 401 KAR 1:345 - Rollover and transfers of contributions to other plans

Dear Ms. Caudill,

Kentucky Public Pensions Authority has reviewed 401 KAR 1:345 - Rollover and transfers of contributions to other plans in its entirety for compliance with the requirements of KRS Chapter 13A and relevant agency-related statutes.

This administrative regulation shall remain in effect without amendment because it remains in compliance with 26 U.S.C. 401(a), and KRS 61.645(9)(e) and Chapter 13A.

Sincerely,

Ryan Barrow
Executive Director
Kentucky Public Pensions Authority

RB/cjc



KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

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October 1, 2025

Ms. Emily Caudill, Regulations Compiler
Legislative Research Commission
083, Capitol Annex
702 Capitol Avenue
Frankfort, KY 4601

RE: 401 KAR 1:345 - Rollover and transfers of contributions to other plans
Technical amendment

Dear Ms. Caudill,

Our recent review revealed two errors in the engrossed version of 105 KAR 1:345. Pursuant to KRS 13A.040(10) and 13A.312(2), the KPPA requests that the Regulations Compiler make the following technical changes to 105 KAR 1:345:

Section 2(1)(b).
After "Section", insert "2(1)(a)2-4"
Delete "2(1)2-4"

Section 2(4)(b).
After "Effective January 1 2007, a", insert "Distributee"
Delete "distribute"

Sincerely,

Ryan Barrow
Executive Director
Kentucky Public Pensions Authority

RB/cjc

MEMORANDUM

TO: Ad Hoc Regulation Committee (“Committee”) of the Kentucky Public Pensions Authority (KPPA)

FROM: Nathan Goodrich, Staff Attorney Supervisor, Non-Advocacy Division, Office of Legal Services

DATE: September 5, 2025

RE: Upcoming regulations

The next year will be a very busy time for this committee. KRS 13A requires each agency that promulgates regulations review each regulation every seven years to ensure it complies with current law. The regulation will expire unless the agency certifies that the regulation complies with current law or amends the regulation to comply with existing law. This statute went into effect in 2017 and so this is the first time KPPA will have had to comply with this process. KPPA has 44 active regulations and 15 of those are set to expire between now and June 2026. Those are:

Regulation	Title	Expires	Reviewed for the September 2025 meeting
1:020	Reciprocal program between CERS, KERS, SPRS, TRS, JRP and LRP	2026-03-05	X
1:145	Voluntary cessation of participation by employers	2026-02-01	
1:147	Involuntary cessation of participation of employers	2026-02-01	
1:150	Installment purchase procedures	2026-06-28	X
1:160	Sick leave plans	2026-06-28	
1:170	Membership form requirements	2026-06-28	
1:260	Purchase of out-of-state service credit	2026-06-11	
1:300	Determination of service credit for classified employees	2026-03-05	X
1:320	Proration of service credit	2026-03-05	X
1:340	Rollovers and transfers of contributions in other plans	2026-03-05	X
1:345	Rollover and transfers of contributions to other plans	2026-03-05	X
1:350	Collection of account without formal administration of estate	2026-03-05	X
1:380	Minimum distribution	2026-03-05	
1:400	Federal taxation limitation year	2026-06-11	
1:430	General compliance with federal tax laws	2026-06-28	
1:440	Kentucky Retirement Systems Trustee education program	2026-06-11	

The statutes governing Kentucky Retirement Systems and County Employees Retirement Systems have undergone significant changes over the past seven years and so many of these

regulations will need to be updated, but our members are unlikely to see any significant impact from these changes to the regulations.

Additionally, KPPA staff are looking to update 105 KAR 1:210 “Disability Procedures” and 1:220 “Periodic Review” to ensure those regulations align with current statutes and practices as well as new housekeeping regulations to consolidate forms incorporated by reference in multiple regulations to reduce the number of regulations that must be updated because of a form change. As a result, staff recommends that this Committee should plan to meet prior to each regular KPPA meeting over the remainder of the fiscal year.

The legislature passed amendments to KRS 13A.105 in House Bill 6 of the 2025 legislative session. This legislation among other things requires that the Governor now certify that all new regulations and amendments by listed agencies, including KPPA, meet at least one of six criteria. Most if not all of KPPA’s regulations clearly meet the criteria of “not having a major economic impact” and so should not be controversial. However, Governor Beshear is challenging the constitutionality of the statute in a suit in Franklin Circuit Court and our staff has been told that the Governor has not been signing the certifications while the litigation is pending. However, the Regulations Compiler has been accepting regulations for filing without the Governor’s signature. So in the meantime the process for filing regulations after they receive Board approval is somewhat uncertain. KPPA attorneys are monitoring the litigation and staff will work with the Governor’s office and the LRC Regulations Compiler to comply with all requirements.