

**61.535 Cessation of membership -- Conditions -- Forfeiture of retirement benefits.**

- (1) The membership of any person in the system shall cease:
  - (a) Upon withdrawal of his accumulated contributions at or any time after termination of employment, regardless of length of service;
  - (b) Upon disability retirement;
  - (c) Upon service retirement;
  - (d) Upon death;
  - (e) For persons hired prior to August 1, 2000, upon termination of employment with prejudice; or
  - (f) For persons hired on or after August 1, 2000, upon conviction of a felony relating to the person's employment as provided in subsection (3) of this section.
- (2) For purposes of KRS 61.510 to 61.705, 16.505 to 16.652, and 78.510 to 78.852, termination of employment with prejudice shall mean termination as the result of conviction of the member in a court of competent jurisdiction of embezzlement or larceny of public funds or property or malfeasance in office, or the forcing of a member to make restitution for any funds or property criminally taken by said member at the time of termination of employment.
- (3) Notwithstanding any provision of law to the contrary, an employee hired on or after August 1, 2000, who participates in one (1) of the retirement systems administered by the Kentucky Retirement Systems and who is convicted, in any state or federal court of competent jurisdiction, of a felony related to his employment shall forfeit rights and benefits earned under the retirement system, except for the return of his accumulated contributions and interest credited on those contributions. The payment of retirement benefits ordered forfeited shall be stayed pending any appeal of the conviction. If the conviction is reversed on final judgment, no retirement benefit shall be forfeited. The employer shall notify the retirement system when an employee is convicted under the provisions of this subsection.

**Effective:** July 14, 2000

**History:** Amended 2000 Ky. Acts ch. 273, sec. 1, effective July 14, 2000. -- Amended 1988 Ky. Acts ch. 349, sec. 11, effective July 15, 1988. -- Amended 1976 Ky. Acts ch. 321, sec. 40. -- Amended 1972 Ky. Acts ch. 116, sec. 25. -- Amended 1962 Ky. Acts ch. 58, sec. 4. -- Amended 1960 Ky. Acts ch. 165, Part II, sec. 4. -- Created 1956 Ky. Acts ch. 110, sec. 6.