

61.691 Increase of benefits.

- (1) Effective August 1, 1996, to July 1, 2008, a recipient of a retirement allowance under KRS 16.505 to 16.652, 61.510 to 61.705, and 78.510 to 78.852 shall have his retirement allowance increased on July 1 of each year by the percentage increase in the annual average of the consumer price index for all urban consumers for the most recent calendar year as published by the federal Bureau of Labor Statistics, not to exceed five percent (5%). In determining the annual employer contribution rate, only the cost of increases granted as of the most recent valuation date shall be recognized. The benefits of this subsection as provided on August 1, 1996, to July 1, 2008, shall not be considered as benefits protected by the inviolable contract provisions of KRS 16.652, 61.692, and 78.852. The General Assembly reserves the right to suspend or reduce the benefits conferred in this subsection if in their judgment the welfare of the Commonwealth so demands.
- (2) Effective July 1, 2009, and on July 1 of each year thereafter, a recipient of a retirement allowance under KRS 16.505 to 16.652, 61.510 to 61.705, and 78.510 to 78.852 shall have his or her retirement allowance increased by one and one-half percent (1.5%), provided the recipient has been receiving a benefit for at least twelve (12) months prior to the effective date of the increase. If the recipient has been receiving a benefit for less than twelve (12) months prior to the effective date of the increase provided by this subsection, the increase shall be reduced on a pro rata basis for each month the recipient has not been receiving benefits in the twelve (12) months preceding the effective date of the increase. In determining the annual employer contribution rate, only the cost of increases granted as of the most recent valuation date shall be recognized. The benefits of this subsection as provided on July 1, 2009, and thereafter shall not be considered as benefits protected by the inviolable contract provisions of KRS 16.652, 61.692, and 78.852. The General Assembly reserves the right to suspend or reduce the benefits conferred in this subsection if, in its judgment, the welfare of the Commonwealth so demands.
- (3) A reemployed retired member whose payments are suspended as provided under KRS 61.637 shall be eligible for an increase in his suspended retirement allowance as provided under this section, computed as if he were receiving the retirement allowance at the time the increase under this section is effective.
- (4) In addition to the increase to a recipient's retirement allowance as provided by subsection (2) of this section, the General Assembly may, by subsequent legislation, provide supplemental increases to a recipient's retirement allowance to help adjust for actual changes in the recipient's cost of living if the General Assembly appropriates sufficient funds to fully prefund the benefit in the year the increase is provided.

Effective: June 27, 2008

History: Amended 2008 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 23, effective June 27, 2008. -- Amended 1996 Ky. Acts ch. 320, sec. 1, effective July 15, 1996. -- Amended 1994 Ky. Acts ch. 105, sec. 1, effective July 1, 1994; ch. 406, sec. 6, effective June 30, 1996; and ch. 502, sec. 1, effective April 13, 1994. -- Amended 1992 Ky. Acts ch. 240, sec. 49, effective July 14, 1992. -- Amended 1990 Ky. Acts ch. 489, sec. 3, effective July 13, 1990; and ch. 517, sec. 2, effective July 1, 1990. -- Amended 1988

Ky. Acts ch. 349, sec. 28, effective July 15, 1988. -- Amended 1986 Ky. Acts ch. 293, sec. 2, effective July 15, 1986. -- Amended 1984 Ky. Acts ch. 232, sec. 9, effective July 13, 1984. -- Amended 1982 Ky. Acts ch. 423, sec. 12, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 186, sec. 16, effective July 15, 1980. -- Amended 1978 Ky. Acts ch. 311, sec. 19, effective June 17, 1978; and ch. 384, sec. 554, effective June 17, 1978. -- Amended 1976 Ky. Acts ch. 321, sec. 31. -- Created 1972 Ky. Acts ch. 116, sec. 59.

Legislative Research Commission Note (7/15/94). This section was amended by 1994 Ky. Acts chs. 105, 406, and 502. The amendments of this section by 1994 Ky. Acts chs. 105 and 502 are in conflict. Under KRS 446.250, Acts ch. 502 as the last enactment prevails.

2012-2014 Budget Reference. See State/Executive Branch Budget, 2012 Ky. Acts ch. 144, Pt. IV, 10 at 1243.