

67A.690 Increase in retirement annuity.

- (1) (a) The increase in retirement annuities provided and authorized by paragraphs (b) and (c) of this subsection shall be provided when:
1. A member who retired prior to July 1, 2013, has been retired for one (1) year or attained forty-seven (47) years of age, whichever is later;
 2. The member would have been retired for one (1) year or attained forty-seven (47) years of age, whichever is later, in the event the member died prior to July 1, 2013;
 3. A member who retires on or after July 1, 2013, has been retired five (5) years or attained fifty (50) years of age, whichever is sooner; or
 4. The member would have been retired for five (5) years or attained fifty (50) years of age, whichever is sooner, in the event the member dies on or after July 1, 2013.
- (b) Except as provided by paragraph (c) of this subsection, for each member, widow, or dependent child who is eligible for an increase in retirement annuities as provided by paragraph (a) of this subsection, the board shall increase his or her retirement annuity by:
1. Two percent (2%) per year, compounded annually, if the member, widow, or dependent child is receiving an annualized retirement annuity of less than forty thousand dollars (\$40,000);
 2. One and one-half percent (1.5%) per year, compounded annually, if the member, widow, or dependent child is receiving an annualized retirement annuity of at least forty thousand dollars (\$40,000) but less than seventy-five thousand dollars (\$75,000); or
 3. One percent (1%) per year, compounded annually, if the member, widow, or dependent child is receiving an annualized retirement annuity equal to or greater than seventy-five thousand dollars (\$75,000), except that no member, widow, or dependent child receiving an annualized retirement annuity equal to or greater than one hundred thousand dollars (\$100,000) shall receive an increase in his or her retirement annuity until January 1, 2016.
- (c) If the fund has an actuarial funding level greater than eighty-five percent (85%), as determined by the most recently completed actuarial valuation of the fund, the board shall, in lieu of the increase provided by paragraph (b) of this subsection, increase retirement annuities for members, widows, and dependent children as follows, provided the increase meets the requirements of paragraph (d) of this subsection:
1. For members whose participation date in the fund is prior to March 14, 2013, who are eligible for an increase in retirement annuities as provided by paragraph (a) of this subsection, the board may increase retirement annuities by an amount not less than two percent (2%) nor more than five percent (5%) per year, compounded annually;
 2. For members whose participation date in the fund is on or after March 14, 2013, who are eligible for an increase in retirement annuities as provided by paragraph (a) of this subsection, the board

may increase retirement annuities by an amount not more than three percent (3%) per year, compounded annually; and

3. Increases provided under this paragraph shall be in lieu of the increases provided under paragraph (b) of this subsection.
 - (d) The board shall determine annually whether an increase in retirement annuities can be provided under paragraph (c) of this subsection. No increase in retirement annuities shall be provided under paragraph (c) of this subsection, if the increase in retirement annuities will reduce the actuarial funding level of the fund below eighty-five percent (85%).
- (2) Beginning July 1, 2001, notwithstanding any other provision to the contrary, any member, retired prior to July 1, 2013, under occupational disability, as provided in KRS 67A.460, or nonoccupational disability shall be entitled to an increase in his or her annuity, or in the event of death the annuity paid to his or her spouse or dependent, after he or she has been retired one (1) year regardless of age or date of retirement. A member retiring under occupational disability, as provided in KRS 67A.460, or nonoccupational disability, on or after July 1, 2013, shall be entitled to an increase in his or her annuity as provided by subsection (1) of this section. The amount of the annual increase shall be the same as described in subsection (1) of this section, compounded annually, and the increase shall be determined and granted annually thereafter by the board. For a member retired on occupational disability for a length of time in excess of one (1) year prior to June 21, 2001, the board shall increase the member's annuity as described in this paragraph, on July 1, 2001, and each July 1 thereafter.
- (3)
 - (a) A member who retired pursuant to the provisions of KRS 67A.360 to 67A.690 prior to July 15, 1980, or pursuant to KRS 67A.690(2) after July 15, 1980, or his surviving spouse or eligible surviving children, shall receive an upward adjustment in their retirement or survivor's annuity by calculation of a two percent (2%) annual increase compounded from July 1, 1974, until July 15, 1980, and annual increases compounded, from July 15, 1980, until July 15, 1990, in the same percentage amount by which the pension board increased other pensions pursuant to subsection (1) of this section for those same years. For purposes of calculation, unless the member retired under disability, the member's or survivor's first increase shall occur after the member was retired for one (1) year or attained the age of forty-seven (47), whichever was later, or would have been retired one (1) year or reached the age of forty-seven (47), whichever was later, in the event the member died before being retired one (1) year or reaching the age of forty-seven (47). In the case of retirement under disability, no age or length of retirement criteria shall apply.
 - (b) After calculation of the new annuity level, members of age forty-seven (47) or more affected by this subsection, or survivors of a member who would have been forty-seven (47) or more in the event the member is deceased, shall be granted the same annual increase granted to retirees who retired July 15, 1980, or thereafter, pursuant to subsection (1) of this section, and the annuity on which this cost-of-living increment is based shall be the annuity level reached through the addition of annual

compounded increases calculated pursuant to paragraph (a) of this subsection, but not less than the annuity level in effect prior to July 15, 1990. If the member has not attained the age of forty-seven (47) or would not have attained the age of forty-seven (47) in the event the member is deceased, then the member or survivor shall receive increases of two percent (2%) compounded annually until the member attains or would have attained age forty-seven (47), at which time the same annual increase granted to retirees who retired July 15, 1980, or thereafter shall apply.

- (4) The provisions of subsection (3) of this section shall not apply to any retiree or surviving spouse who receives a minimum retirement annuity, annually adjusted, pursuant to KRS 67A.430. If, in the future, any retiree or spouse annuity granted pursuant to this section falls below the adjusted minimum annuity, the affected retiree or spouse shall be granted, from that time forward, the adjusted minimum annuity calculated pursuant to KRS 67A.430.

Effective: March 14, 2013

History: Amended 2013 Ky. Acts ch. 7, sec. 17, effective March 14, 2013. -- Amended 2002 Ky. Acts ch. 274, sec. 7, effective July 15, 2002. -- Amended 2001 Ky. Acts ch. 131, sec. 2, effective June 21, 2001. -- Amended 1990 Ky. Acts ch. 189, sec. 11, effective July 13, 1990. -- Amended 1988 Ky. Acts ch. 353, sec. 2, effective July 15, 1988. -- Amended 1980 Ky. Acts ch. 329, sec. 3, effective July 15, 1980. -- Created 1974 Ky. Acts ch. 106, sec. 36, effective July 1, 1974.