

21.450 Funding of benefits -- Trustee -- Duties of board or investment adviser -- Accrual of benefits.

- (1) The benefits provided by KRS 21.350 to 21.510 to be paid shall be funded through contract with a reputable life insurance company authorized to do business in this state, or through investment and reinvestment of funds in securities which, at the time of making the investment, are by law permitted for the investment of funds by fiduciaries in this state, or through a combination of such methods. To the extent that funding is provided through insurance contract, no contributions, payments or premiums shall be subject to any tax on insurance premiums or annuity considerations. The investment committee for the judicial retirement fund shall be trustee of any and all funds contributed or appropriated to the retirement system, and shall have sole authority to make insurance contracts or investments.
- (2) The board members or any investment adviser shall discharge their duties with respect to the funds of the retirement system solely in the interest of the members and beneficiaries and:
 - (a) For the exclusive purposes of providing benefits to members and their beneficiaries and defraying reasonable expenses of administering the plan;
 - (b) With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and
 - (c) In accordance with the laws, regulations and other instruments governing the funds.
- (3) Any accrual of benefits provided under this or any other applicable statute shall be no less than the benefit adjustment provided for in KRS 21.405(4) from the date of the last establishment of that benefit.
- (4) The board shall establish ethics policies and procedures by promulgation of administrative regulations in accordance with the provisions of KRS Chapter 13A. The ethics policies shall include but not be limited to annual financial and conflict of interest disclosure requirements which must be completed by all board members and made available to the public upon request.

Effective: April 11, 2012

History: Amended 2012 Ky. Acts ch. 75, sec. 5, effective April 11, 2012. -- Amended 2000 Ky. Acts ch. 448, sec. 4, effective July 14, 2000. -- Amended 1984 Ky. Acts ch. 111, sec. 169, effective July 13, 1984. -- Amended 1980 Ky. Acts ch. 246, sec. 9, effective July 15, 1980. -- Amended 1978 Ky. Acts ch. 384, sec. 6, effective June 17, 1978. -- Created 1960 Ky. Acts ch. 84, Art. III, sec. 11.