

**61.545 Service credit determination -- Purchase of service credit for fractional year's service for members who began participating before January 1, 2014 -- Choice of system -- Division of service credit.**

- (1) The board shall determine by appropriate administrative regulations how much service in any year is the equivalent of a year of service credit and how much service in any calendar month is the equivalent of a month of service credit. It shall not allow credit for more than one (1) year of service for all service rendered in any period of twelve (12) consecutive months except as provided in KRS 61.546 and in subsection (2) of this section.
- (2)
  - (a) Employees participating in one (1) of the state-administered retirement systems who are or have been employed by a school board participating in the County Employees Retirement System, a state-operated school under KRS Chapter 167, a participating community action agency, or a Kentucky institution of higher education which participates in the Kentucky Employees Retirement System, and who receive service credit for less than twelve (12) months each year, may purchase the additional months of service credit needed to total one (1) year of service credit except the amount purchased shall not exceed three (3) months. The employee may purchase the service credit by paying the retirement system a delayed contribution payment in accordance with the payment options and restrictions established by KRS 61.552(14). Employees who have service credit prior to July 1, 1992, or their employers, the state-operated school under KRS Chapter 167, the Kentucky institution of higher education, or the school board may purchase service credit on behalf of the employee for previous years by paying the retirement system the delayed contribution payment in accordance with the payment options and restrictions established by KRS 61.552(14).
  - (b) The cost of service under this subsection may be paid by both the employer and employee. The employer shall pay fifty percent (50%) of the cost and the employee shall pay fifty percent (50%) of the cost. The payment by the employer shall not be deposited to the member's account. Service credit shall not be credited to the member's account until both the employer's and employee's payment are received by the retirement system.
  - (c) If the employee has purchased service credit under this subsection based on months reported by the employer for the fiscal year, and an audit of the employee's account reduces the number of months of service credit for which the employee is eligible to no fewer than nine (9) months, the employee shall retain credit for the months purchased unless the employee is ineligible for any service in the fiscal year. The employee shall be eligible to purchase the additional months under this subsection to total one (1) year.
  - (d) This subsection shall not apply to members who begin participating in the systems administered by Kentucky Retirement Systems on or after January 1, 2014.
- (3)
  - (a) If an employee participates in more than one (1) of the retirement systems administered by the Kentucky Retirement Systems, the

employee's service credit shall be divided between each system determined by dividing the employee's creditable compensation in each system by the employee's total creditable compensation in all systems.

- (b) If an employee earns creditable compensation in both a hazardous position, as defined by KRS 61.592, and a nonhazardous position, the employee's service credit shall be divided between the employee's hazardous and nonhazardous positions determined by dividing the employee's creditable compensation in the hazardous and nonhazardous positions by the employee's combined hazardous and nonhazardous creditable compensation.

**Effective:** June 29, 2017

**History:** Amended 2017 Ky. Acts ch. 32, sec. 8, effective June 29, 2017. -- Amended 2013 Ky. Acts ch. 120, sec. 48, effective July 1, 2013. -- Amended 2004 Ky. Acts ch. 36, sec. 10, effective July 13, 2004. -- Amended 2002 Ky. Acts ch. 52, sec. 4, effective July 15, 2002. -- Amended 2000 Ky. Acts ch. 385, sec. 13, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 105, sec. 8, effective July 15, 1998. -- Amended 1996 Ky. Acts ch. 167, sec. 9, effective July 15, 1996. -- Amended 1994 Ky. Acts ch. 406, sec. 1, effective July 15, 1994; and ch. 485, sec. 11, effective July 15, 1994. Amended 1992 Ky. Acts ch. 240, sec. 19, effective July 14, 1992. -- Amended 1990 Ky. Acts ch. 222, sec. 1, effective July 13, 1990; and ch. 489, sec. 4, effective July 13, 1990. -- Amended 1988 Ky. Acts ch. 349, sec. 13, effective July 15, 1988. -- Amended 1986 Ky. Acts ch. 53, sec. 1, effective July 15, 1986. -- Amended 1980 Ky. Acts ch. 165, sec. 2, effective July 15, 1980. -- Amended 1966 Ky. Acts ch. 35, sec. 3. -- Created 1956 Ky. Acts ch. 110, sec. 8.

**Legislative Research Commission Note (7/15/94).** This section was amended by 1994 Ky. Acts chs. 406 and 485. Where these Acts are not in conflict, they have been codified together. Where a conflict exists, Acts ch. 485, which was last enacted by the General Assembly, prevails under KRS 446.250.