

61.701 Kentucky Retirement Systems insurance trust fund -- Purpose -- Administration -- Participation, regulation, and termination.

- (1) (a) There is hereby created and established a trust fund to be known as "Kentucky Retirement Systems insurance trust fund." All assets received in the trust fund shall be deemed trust funds to be held and applied solely as provided in this section. Assets of the trust fund shall not be used for any other purpose and shall not be used to pay the claims of creditors or any individual, person, or employer participating in the Kentucky Employees Retirement System, County Employees Retirement System, or State Police Retirement System.
- (b) The trust fund is intended to be established as a trust exempt from taxation under 26 U.S.C. sec. 115.
- (2) The trust fund is created for the purpose of providing a trust separate from the retirement funds. Trust fund assets are dedicated for use for health benefits as provided in KRS 61.702, and as permitted under 26 U.S.C. secs. 105 and 106, to retired recipients and employees of employers participating in the Kentucky Employees Retirement System, County Employees Retirement System, and State Police Retirement System, and to certain of their dependents or beneficiaries, including but not limited to qualified beneficiaries as described in 42 U.S.C. secs. 300bb-1 et seq.
- (3) The trust fund shall be administered by the board of trustees of the Kentucky Retirement Systems and the board shall serve as trustees of the fund. The board shall manage the assets of the fund in the same manner in which it administers the retirement funds, except that separate accounting and financial reporting shall be maintained for the trust fund.
- (4) In addition to the requirements of subsection (2) of this section, the employers participating in the trust fund are limited to the Commonwealth, political subdivisions of the Commonwealth, and entities whose income is exempt from taxation under 26 U.S.C. sec. 115. No other entity may participate in the trust fund.
- (5) If the trust fund is terminated, the assets in the trust fund may revert, after the payment of all liabilities, to the participating employers as determined by the board of trustees.
- (6) The board of trustees may adopt regulations and procedures and take all action necessary and appropriate to provide that the income of the trust fund is exempt from taxation under Title 26 of United States Code.
- (7) The establishment of Kentucky Retirement Systems insurance trust fund shall not diminish or expand the rights of any recipients, employees, or dependents to health benefits.

Effective: June 25, 2009

History: Amended 2009 Ky. Acts ch. 77, sec. 21, effective June 25, 2009. -- Amended 2004 Ky. Acts ch. 36, sec. 29, effective July 13, 2004. -- Amended 2002 Ky. Acts ch. 52, sec. 15, effective July 15, 2002. -- Amended 2000 Ky. Acts ch. 385, sec. 27, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 351, sec. 1, effective July 15, 1998. -- Amended 1980 Ky. Acts ch. 97, sec. 3, effective July 15, 1980. -- Created 1978 Ky. Acts ch. 311, sec. 8, effective June 17, 1978.