

**61.543 Deduction or pick-up of employee contributions -- Service credit -- Educational leave.**

- (1) (a) Employee contributions shall be deducted each payroll period from the creditable compensation of each employee of an agency participating in the retirement system while he is classified as regular full-time as defined in KRS 61.510 unless the employee:
  1. Did not elect to become a member as provided by subsection (2) of KRS 61.525;
  2. Did not elect membership pursuant to KRS 61.545(3); or
  3. Is not eligible to participate in the system as provided by KRS 61.522.
- (b) After August 1, 1982, employee contributions shall be picked up by the employer pursuant to KRS 61.560(4). Service credit will be allowed for each month the contributions are deducted or picked up during a fiscal or calendar year, if the member receives creditable compensation for an average of one hundred (100) hours or more of work per month. If the average number of hours of work is less than one hundred (100) per month, the member shall be allowed credit only for those months he receives creditable compensation for one hundred (100) hours of work.
- (2) Employee contributions shall not be deducted from the creditable compensation of an employee or picked up by the employer while he is seasonal, emergency, temporary, or part-time. No service credit will be earned.
- (3) Contributions shall not be made or picked up by the employer and no service credit will be earned by a member while on leave except:
  - (a) A member on military leave shall be entitled to service credit in accordance with KRS 61.555;
  - (b) A member on educational leave, approved by the Personnel Cabinet, who is receiving seventy-five percent (75%) or more of full salary, shall receive service credit and shall pay employee contributions, or the contributions shall be picked up in accordance with KRS 61.560 and his employer shall pay employer contributions in accordance with KRS 61.565. If a tuition agreement is broken by the member, the member and employer contributions paid or picked up during the period of educational leave shall be refunded; and
  - (c) An employee on educational leave, approved by the appointing authority, not to exceed one (1) year, or with additional approval of one (1) additional year, and not to exceed two (2) years within a five (5) year period, who is receiving a salary of less than seventy-five percent (75%) of full salary, may elect to retain membership in the system during the period of leave. If the employee elects to retain membership in the system, he shall receive service credit by having employee contributions picked up in accordance with KRS 61.560. His employer shall pay employer contributions in accordance with KRS 61.565. If a tuition agreement is broken by the member, the employee and employer contributions paid or picked up during the period of educational leave shall be refunded to the contributor and no service credit shall be earned for the period

of leave.

- (4) The retirement office, upon detection, shall refund any erroneous employer and employee contributions made to the retirement system and any interest credited in accordance with KRS 61.575.
- (5) Notwithstanding the provisions of this section and KRS 61.560, employees engaged pursuant to KRS 148.026 and 56.491 in a regular full-time position as defined in KRS 61.510(21) prior to January 1, 1993, shall be allowed service credit for each month the employee received creditable compensation for an average of one hundred (100) or more hours of work, if the employee pays to the retirement system the contributions that would have been deducted for the period of employment. The contributions shall be credited to the member's account and shall not be picked up pursuant to KRS 61.560(4). The employer contributions for the period, plus interest calculated at the actuarial rate, shall be due within thirty (30) days of notice of receipt of payment from the employee.

**Effective:** June 24, 2015

**History:** Amended 2015 Ky. Acts ch. 28, sec. 5, effective June 24, 2015. -- Amended 2013 Ky. Acts ch. 120, sec. 47, effective July 1, 2013. -- Amended 1998 Ky. Acts ch. 154, sec. 66, effective July 15, 1998. -- Amended 1994 Ky. Acts ch. 485, sec. 10, effective July 15, 1994. -- Amended 1992 Ky. Acts ch. 240, sec. 18, effective July 14, 1992. -- Amended 1990 Ky. Acts ch. 222, sec. 3, effective July 13, 1990. -- Amended 1986 Ky. Acts ch. 490, sec. 1, effective July 15, 1986. -- Amended 1982 Ky. Acts ch. 166, secs. 7 and 17, effective July 15, 1982. -- Amended 1978 Ky. Acts ch. 311, sec. 12, effective June 17, 1978. -- Amended 1976 Ky. Acts ch. 321, sec. 15. -- Created 1972 Ky. Acts ch. 116, sec. 29.

**Legislative Research Commission Note.** Although this section was included in Acts 1978, Chapter 311, Â§ 12 as having been amended, there appeared to have been no change in the section.