

**78.610 Employee's contribution -- Rate -- Deduction -- Picked-up employee contributions.**

- (1) Each employee shall, commencing on August 1, 1990, contribute, for each pay period for which he receives compensation, five percent (5%) of his creditable compensation.
- (2) The agency reporting official of a participating county shall cause to be deducted from the "creditable compensation" of each employee for each and every payroll period subsequent to the date the county participated in the system the contribution payable by the member as provided in KRS 78.510 to 78.852. The agency reporting official shall promptly pay the deducted employee contributions to the system in accordance with KRS 78.625.
- (3) The deductions provided for in subsection (2) of this section shall be made notwithstanding that the minimum compensation provided by law for any employee shall be reduced thereby. Every employee shall be deemed to consent and agree to the deductions made as provided in subsection (2) of this section; and payment of salary or compensation less the deductions shall be a full and complete discharge of all claims for services rendered by the person during the period covered by the payment, except as to any benefits provided by KRS 78.510 to 78.852.
- (4) Each employer shall, solely for the purpose of compliance with Section 414(h) of the United States Internal Revenue Code, pick up the employee contributions required by this section for all compensation earned after August 1, 1982, and the contributions picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code and KRS 141.010. These contributions shall not be included as gross income of the employee until the contributions are distributed or made available to the employee. The picked-up employee contribution shall satisfy all obligations to the retirement system satisfied prior to August 1, 1982, by the employee contribution, and the picked-up employee contribution shall be in lieu of an employee contribution. Each employer shall pay these picked-up employee contributions from the same source of funds which is used to pay earnings to the employee. The employee shall have no option to receive the contributed amounts directly instead of having them paid by the employer to the system. Employee contributions picked up after August 1, 1982, shall be treated for all purposes of KRS 78.510 to 78.852 in the same manner and to the same extent as employee contributions made prior to August 1, 1982.
- (5) The provisions of this section shall not apply to individuals who are not eligible for membership as provided by KRS 61.522.

**Effective:** April 27, 2018

**History:** Amended 2018 Ky. Acts ch. 171, sec. 72, effective April 14, 2018; and ch. 207, sec. 72, effective April 27, 2018. -- Amended 2017 Ky. Acts ch. 32, sec. 19, effective June 29, 2017. -- Amended 2015 Ky. Acts ch. 28, sec. 10, effective June 24, 2015. -- Amended 1992 Ky. Acts ch. 240, sec. 56, effective July 14, 1992. -- Amended 1990 Ky. Acts ch. 221, sec. 2, effective July 13, 1990; ch. 222, sec. 7, effective July 13, 1990; and ch. 476, Pt. VII D, sec. 647, effective April 11, 1990. -- Amended 1986 Ky. Acts ch. 90, sec. 26, effective July 15, 1986; ch. 176, sec. 2, effective July 15, 1986; and ch. 293, sec. 5, effective July 15, 1986. -- Amended

1982 Ky. Acts ch. 166, sec. 3, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 186, sec. 19, effective July 15, 1980. -- Amended 1978 Ky. Acts ch. 384, sec. 557, effective June 17, 1978. -- Amended 1976 Ky. Acts ch. 321, sec. 40. -- Amended 1972 Ky. Acts ch. 116, sec. 66. -- Amended 1966 Ky. Acts ch. 34, sec. 5. -- Amended 1964 Ky. Acts ch. 49, sec. 6. -- Amended 1962 Ky. Acts ch. 31, sec. 8. -- Created 1958 Ky. Acts ch. 167, sec. 11.

**Legislative Research Commission Note** (4/27/2018). This statute was amended by 2018 Ky. Acts chs. 171 and 207, which do not appear to be in conflict and have been codified together.